

CITY OF LIVERMORE

1990-1995 HOUSING ELEMENT OF THE LIVERMORE GENERAL PLAN

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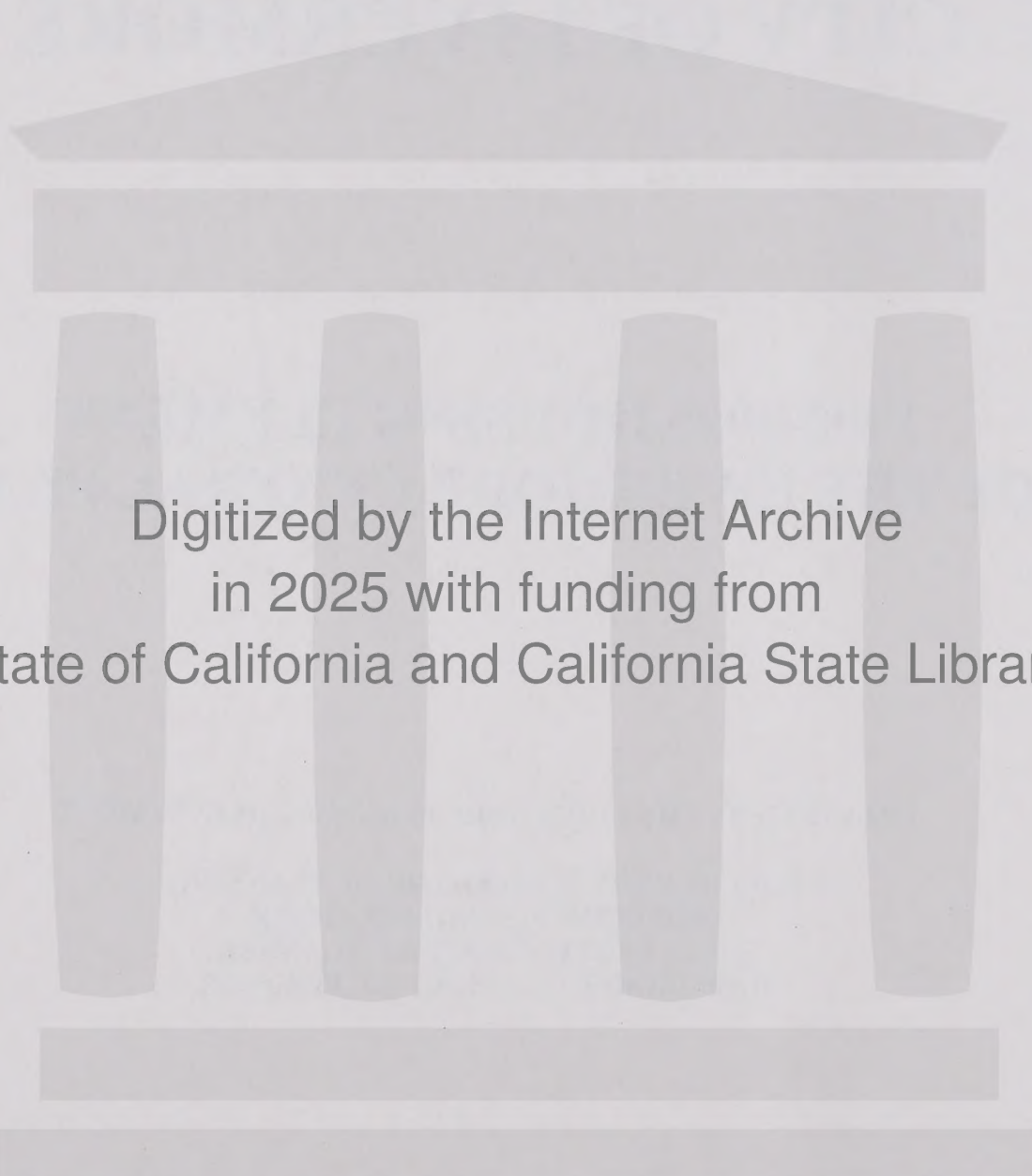
CITY OF LIVERMORE

1990-1995 HOUSING ELEMENT OF THE LIVERMORE GENERAL PLAN

PREPARED BY THE LIVERMORE PLANNING DEPARTMENT

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HOUSING ELEMENT SUMMARY

State Law requires that the City's Housing Element be updated every five years. The Housing Element is the City's major local housing strategy and planning document. It is intended to provide citizens and public officials with local and regional housing data, a discussion of housing needs and issues, and proposed policies and programs to address them and otherwise improve the housing situation.

The first section of the summary below highlights some important data, and is followed by a section identifying some potentially significant policies/programs proposed in the draft Housing Element for 1990-1995.

1. Local/Regional Housing Data:

Community Profile: Local employment (exclusive of the Lab) tripled during the 1980's, establishing a better balance between jobs and housing as Livermore ceased to function primarily as a bedroom community.

Population: Livermore's population grew at an annual rate of 2% between 1980 and 1990.

Population is predominantly white (89.4% in 1990)

Households: Household size is decreasing, from 2.97 persons per unit in 1980 to 2.8 in 1990.

Income: Livermore residents had relatively higher median income (\$50,503) than residents in the subregion (\$44,100 in 1990).

Percentage of Livermore Residents by Income Category in 1990:

Very Low:	14%
Low:	13%
Moderate:	27%
Above Moderate:	46%

ABAG projections indicate that 74% of low-income renters and 56% of low-income homeowners "overpaid" their housing costs in 1990. (Overpaid is defined as 30% of income to housing costs.)

The median rent in Livermore in 1990 was \$680 a month. Approximately 80% of the City's residents could afford a median priced rental unit, 20% could not.

Jobs/Housing: Job growth is substantially increasing from 16,800 jobs in 1980 to 27,900 in 1990. ABAG projects an increase to 33,540 jobs in 1995 and 45,390 in 2000.

Livermore is a net housing provider. In 1990, Livermore had approximately 27,900 jobs and 21,489 housing units, 1.30 employees per unit, and 2,700 more housing units than needed to support the local employed population. (Assumes 1.5 employees per households.)

Housing Characteristics: Housing stock grew from 16,637 units in 1980 to 20,932 units in January 1990. 1990 Census indicates that 34.6% of housing stock are rental units.

Single-family dwellings dominate, though down from 81.5% in 1984 to 71.8% in 1990.

Overall, housing stock is in good condition. Overcrowding is not a major problem.

The 1989 vacancy rate for owner-occupied housing was 1.3% and 3.0% for rental housing. State Department of Finance vacancy rate was estimated at 2.4% for all units in 1990.

A total of 1,054 low income and 332 moderate income units exist or are approved for construction in the City (approximately 6% of the housing stock).

The 1980 median price for a home in Livermore was \$86,920 and \$202,000 in 1990 based on local data.

Special Needs: Livermore's most significant housing problem is affordability.

Groups requiring assistance include low-income persons (including families and seniors), first-time buyers, and the homeless.

There are long waiting lists for below market units and rent subsidy programs.

The 1980 Census indicated that:

5.9% of the population was 65 years or older (8% at poverty level)

778 persons in labor force had a work disability (832 not working had a disability).

3,189 female head of households (27% of all families living at poverty level).

Regional Fair Share Need: ABAG allocates Livermore the following fair share of the regional housing need for 1988-1995:

Very Low Income:	559
Low Income:	381
Moderate Income:	533
Above Moderate Income:	<u>1,066</u>
	2,539 housing units

Land Inventory: Approximately 551 acres within City limits would accommodate construction of 2,700 units between 1990-1995. ABAG allocation goal for this period is 2,539 units.

Constraints/Resources: Raw land cost rose from \$15,000 to \$25,000 a unit since 1984, or 10%-15% of the cost of a detached residence. Construction financing is difficult to acquire and comprises 10% of the cost of a new home.

Median price of a home in Livermore increased 216% over the past decade.

The General Plan requires the annual growth rate within any 3-year period be set between 1.5% and 3.5%. This can increase project costs associated with growth management and the development review process in terms of time and increased uncertainty

Higher density projects decrease per unit cost of housing.

City fees for a typical residence were \$13,666 in 1989, constituting 6.6% of the cost of a median priced home.

The City utilizes inclusionary zoning, low-income housing in-lieu fees, RDA set-aside monies, CBDG funds, density bonuses, resale/rental agreements, low income housing bonds and other programs to assist in the development of affordable housing.

Preservation of Assisted Housing: There are 497 rental units for low-income tenants - 162 for the elderly. 40 units are in danger of converting to market rate units by 1995, as are 63 more units by the year 2000.

The replacement cost per rental unit is at minimum \$100,000.

2. Proposed Policies/Programs

The following list highlights selected significant policies or programs proposed.

Diversity of Housing/Tenure

Program: Include policies in the 1994-1996 Three Year Housing Implementation Program (HIP) that provide incentives to help meet the City's share of Regional Housing goals for all income categories for 1990-1995.

Program: Monitor the proportion of multi-family rental apartments within the City, and if necessary, through the HIP, provide incentives (targeting etc.) to maintain the proportion of multi-family rental housing at approximately 20% of the total housing stock.

Program: To encourage development of very-low income units, **exempt very-low income units** from the competitive review process, though they will remain subject to the City's annual growth rate.

Policy: Promote the application of **mixed-use zoning** to combine a variety of housing types in larger residential projects, and to consider combining residential uses with compatible commercial or professional office uses.

Program: As part of the next programmed land inventory in 1993, identify and consider rezoning larger parcels of undeveloped or underutilized land as needed, that are potentially suitable for **high density and/or affordable housing projects**. Criteria for selection would include sites offering good access to transportation corridors and major retail or employment centers.

Producing Affordable Housing

Program: Use the 1994-1996 Housing Implementation Program to **target** (offer incentives) to produce very-low income housing.

Program: Develop a City sponsored Deferred Second Mortgage subsidy program for **lower and moderate income** first-time buyers, targeting at least some potential buyers whose income is slightly below 80% of the area median income.

Policy: Develop at least **three (3) affordable housing projects** in the City between 1990 and 1995 utilizing the combined resources of the City's agencies, and joint public/

private/non-profit housing ventures, and new funding opportunities as they occur. (This is in addition to all projects that include the required 10% lower cost housing component).

Program: To implement the above policy, analyze and if necessary, create a new staff position to: (1) be responsible for providing and/or facilitating the development of three low income housing projects between 1990 and 1995, (2) coordinate and manage City housing strategies and programs, (3) maintain a City-wide housing data base, and (4) steward projects through the growth management and development review process.

Program: Allow second units in single-family residential zones compatible with the appearance and character of the residential neighborhood. Consider eliminating the requirement for the lower income housing in-lieu fee for second units.

Policy: Require residential and non-residential projects to contribute to the establishment of low income housing to the extent that they create the need for such housing.

Program: Consider creating a low-income in-lieu housing fee for new commercial, office and industrial properties. Ensure all in-lieu housing fees are in conformance with AB 1600.

Program: For the 1990-1995 period, reserve a **minimum** of 50% of the low income in-lieu fees for very-low income projects, to assist development of a public or non-profit project; or to off-set costs per unit for a private project that provides very-low income units (example, possible subsidy of \$20,000 per unit).

Preservation of Affordable Housing

Program: Revise City housing resale agreements to require that units remain below-market for a **minimum of 30 years**, and renew the 30 year contract each time a unit is sold. Require that newly issued rental agreements stipulate that units will remain below-market for a minimum of 30 years.

Equal Opportunity

Program: Require the construction of a fully equipped low-income ground floor unit for non-ambulatory handicapped persons in rental projects of 20 units or more, where density bonuses, in-lieu fees or other City incentives were utilized.

Program: Continue to support existing emergency shelters and aggressively promote the production of low cost housing to facilitate relocation of the homeless to permanent housing.

I. INTRODUCTION

A. PURPOSE OF THE HOUSING ELEMENT

The State Legislature has declared that the provision of decent housing in a suitable living environment is of the highest priority (Government Code 65580). The Legislature has determined that local governments are responsible for facilitating improvement and development of housing to meet the housing needs of all economic segments of the community, while considering other fiscal, environmental and community goals set forth in the General Plan. To address these goals, the City's Housing Element represents a five year program to conserve, improve, and develop housing in the community.

1. Substantive Requirements

To meet substantive requirements, the Livermore 1990 - 1995 Housing Element contains:

- a. Identification and analysis of existing and projected housing needs for all income levels, including an inventory of resources and constraints.
- b. An inventory of land suitable for residential development including vacant sites, and sites having potential for redevelopment.
- c. Revised housing goals, policies and quantified objectives reflecting an updated housing needs analysis. These will be incorporated into a new schedule of actions to meet the goals and policies of the City's Housing Element during the next five years (1990- 1995).

2. Procedural Requirements

The City must consider guidelines adopted by the State Department of Housing and Community Development (HCD) when undertaking revisions to the Housing Element. The City will submit a draft of the revised Housing Element to HCD for review at least 45 days prior to formal adoption. The City must amend the draft Housing Element taking into consideration HCD's findings, or make findings as to why the City believes it is in substantial compliance with the law.

3. Relationship to the General Plan

The City Housing Element is one of seven mandated elements of the General Plan. State requirements for the content of the Housing Element are more specific than other parts of the General Plan, and all parts of the General Plan must be internally consistent. Local planning actions involving zoning, subdivision approval and redevelopment, must be consistent with the City's Housing Element. Policies and programs proposed in the Housing Element will require minor amendments to the existing General Plan to achieve consistency.

4. Relationship to City's Growth Management Program

The City exercises land use controls over residential development through its General Plan, zoning and subdivision review, and its growth management program. The residential growth rate is set by General Plan policy. The residential growth policy allows for an average residential growth rate of between one and one-half and three and one-half

percent of the present population in a calender year (Reso. No. 261-87). This policy was established to ensure that new residential growth does not outpace available infrastructure and City services.

The Housing Implementation Program (HIP) implements the City's growth management program. It establishes a project review process because the City usually has to choose from many more development requests than that permitted by the residential growth rate. One primary goal of the HIP is to implement the City's housing goals and objectives contained in the Housing Element of the City's General Plan. Housing Element objectives include encouraging construction of a variety of housing types to meet the needs of families of all incomes and sizes, in a suitable environment, for all current and future residents.

The HIP allocation process can facilitate the realization of these broad housing goals, through a variety of techniques including: the ability to modify the growth rate every three years, the ability to target (give selection preference to) certain types of housing and/or locations, and the adoption of design review criteria to improve the function, visual appearance and site amenities of proposed projects. The ability of the HIP process to target housing types can play a major role (though not as strong as market forces) in the amount and type of housing that is produced in the City in any calender year.

B. METHODOLOGY

The 1990 Housing Element Update has included updated statistical data reported in the 1980 Census, preliminary 1990 Census data, Association of Bay Area Governments (ABAG) Projections 90, ABAG's Regional Needs Allocation Report (1989), State Department of Finance data, and other pertinent housing and technical reports. In addition, two public workshops were held to obtain citizen input and to review the draft element. The workshops provided citizens of the community an opportunity to express their perceptions of housing needs and to suggest policies or actions the City should consider to address these concerns.

C. PUBLIC PARTICIPATION

The draft Housing Element was prepared by staff of the City Planning Department. It has been reviewed by the City's Housing Authority, the Redevelopment Agency, the Human Services Coordinator, and the Growth Review Committee. The Draft and/or Housing Summary was distributed to community groups, the Department of Housing and Community Development and other public agencies, and interested citizens. In addition, two public workshops were held on July 11 and August 5, 1991 to review the draft and receive public comments. The draft Element incorporated changes made in response to public input. The Planning Commission reviewed the draft Housing Element in public hearings on September 3rd and September 17, 1991. The City Council reviewed the Housing Element in public hearings on October 7, 1991 and October 28, 1991. A resolution of adoption of the 1990-1995 Housing Element was approved by the City Council on November 12, 1991.

II. HOUSEHOLD AND EMPLOYMENT CHARACTERISTICS

A. COMMUNITY PROFILE

Livermore is located in Alameda County, one of nine counties that comprise the San Francisco Bay Area, a diverse 4.6 million acre area with a 1990 population of 5,951,000 and total employment of 3,073,280¹. The region supports a well developed economy with over 59 billion dollars (1988 dollars) in total sales. The regional economy is dominated by service jobs, manufacturing jobs and retail trade jobs which respectively comprise 31%, 18% and 17% of the total². In addition to the robust economy, the region enjoys many attributes that contribute to a high quality of life including an outstanding natural environment, numerous cultural amenities, world renowned universities and educational facilities, a well developed infrastructure, and a mild Mediterranean climate. The region supports a skilled work force which enjoys a high median income. These attributes combine to fuel a strong regional demand for housing and support relatively high prices for housing. Overall, the Bay Area is one of the most expensive areas in the Country to rent or buy a home.

Alameda County includes a total population of 1,279,182 according to the 1990 U.S. Census, and total 1990 employment of 608,400 jobs according to ABAG estimates. Alameda County's service, retail trade and manufacturing jobs make up 65% of the total jobs within the County. Since 1980, the industry mix in the County has shifted increasingly toward office and service related jobs, with longer term potential for high technology job demand³. ABAG projects that for the period 1990-2005, about 31% of the new job demand for the entire County will occur in the Livermore - Amador Valley⁴.

The City of Livermore is located in the eastern portion of the County. It was founded in 1876 with a population of 830 people. From its incorporation until the mid 1950's Livermore was a small agricultural service town housing residents who generally worked within the City or nearby. Between the late 1950's and the early 1970's, the City experienced explosive residential growth transforming it into a bedroom community for the regional job centers of San Francisco, Oakland, and San Jose. During the 1970's the residential growth rate slowed in response to infrastructure constraints and ultimately the City's growth management policies. Also during the 70's the first light industrial and warehouse projects were built in the community. It was not until the 1980's however, that substantial industrial, warehouse, and office development took place within the community. Local employment (exclusive of the national laboratories) tripled during the 1980's. This development began to return the community to a better balance between jobs and housing and away from functioning primarily as a bedroom community.

B. POPULATION TRENDS / GROWTH RATE

In 1980 the population in Livermore was 48,349 according to the U.S. Census. According to the same source, in 1990, the population was 56,741. Based on these numbers the average annual growth rate for the decade is slightly less than 2.0%. From 1976 to

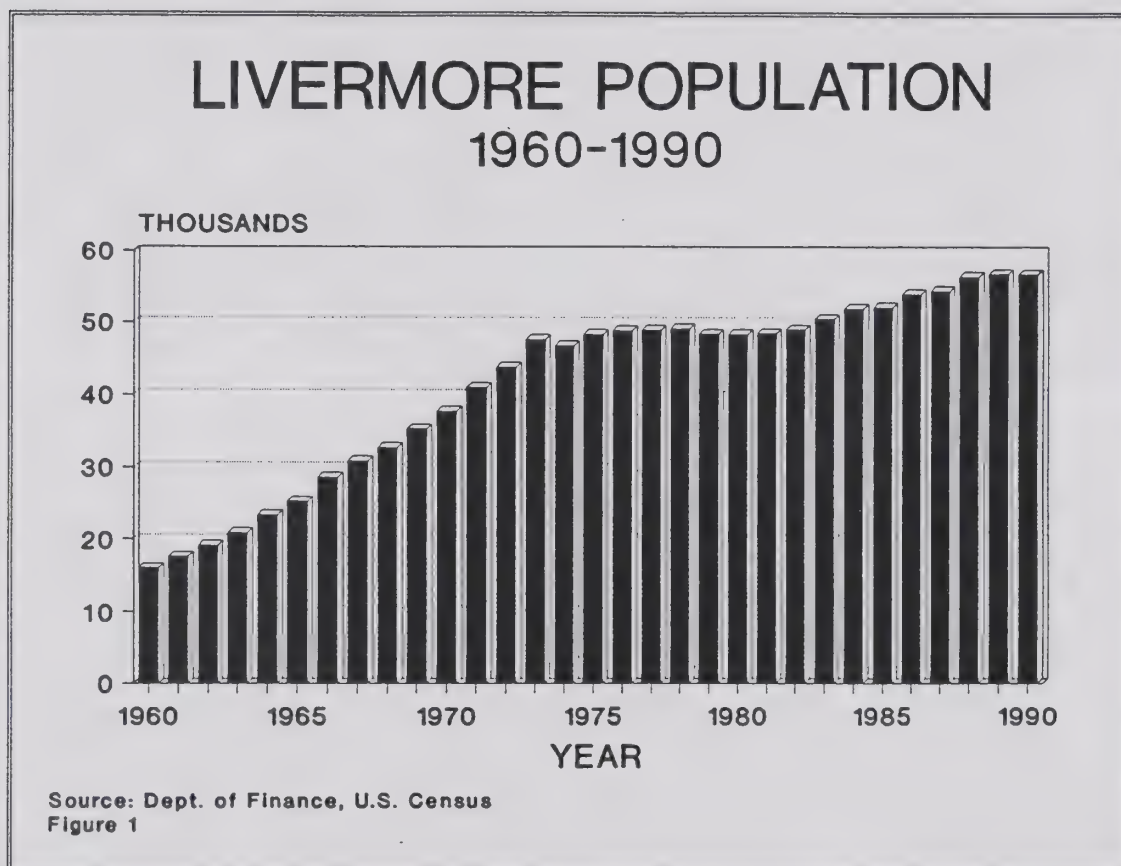
1 Projections 1990, p.45; ABAG, November 1989, Oakland, CA

2 Ibid.

3 Ibid, p.90

4 Ibid.

1987, the City utilized its competitive growth management system to limit the residential growth rate to two percent a year. In 1987, the City made a procedural change to permit adoption of a specific growth rate for three year periods within a range of 1.5% to 3.5% annual population growth. The City's targeted maximum growth rate for 1988-1990 was 3.5%. The lag between project approval/occupancy and the slowing real estate market near the end of the decade obscured the impacts of these growth rates.



Perhaps more significantly, household size is decreasing. In 1980 the average household size was 2.97. By 1990 it had dropped to 2.8 persons per household⁵. This change affects the number of housing units needed to house a given population.

C. POPULATION CHARACTERISTICS (AGE AND ETHNICITY)

1. Age

In 1980 the median age of Livermore residents was 28.6 years. According to estimates by the Association of Bay Area Governments, the median age of the population in Alameda County has increased by 2.67 years during the last decade, and 1.24 years during the

⁵ California Department of Finance, Demographic Research Unit, January 1, 1990 estimates printed 4-26-90.

last five years⁶. This probably reflects historic settlement patterns which saw lots of growth during the 1960's and 1970's. In addition, other forces may be adding to the aging of the City's population.

In 1980, Livermore's median age was less than the County as a whole reflecting the large amount of entry level housing that this community provided in the 1960's and 1970's. These entry level affordable homes attracted large numbers of young families to Livermore during that period.

Based upon changes in both market pressures and regulatory emphasis, the type of units produced within the City during the 1980's diversified away from the preponderance of entry level homes and began to include larger, more expensive, "move up" homes. Based on very limited surveys of several projects that produce move-up homes, buyers of these homes tend to be older than buyers of less expensive starter homes. This contributed to the overall aging of Livermore's population during the decade.

2. Ethnicity

According to the 1990 U.S. Census, the community is becoming more racially diverse. While remaining overwhelmingly white, every racial minority grew faster than the white population during the decade.

**TABLE 1
POPULATION BY RACE**

	1980	PERCENT	1990	PERCENT	% CHANGE
WHITE	44,293	91.6%	50,712	89.4%	+ 14.5%
BLACK	500	1.0%	863	1.5%	+ 72.6%
AMER. INDIAN	311	0.6%	414	0.7%	+ 33.1%
ASIAN	1,622	3.4%	2,610	4.6%	+ 60.9%
OTHER	1,623	3.4%	2,133	3.8%	+ 31.4%
TOTAL	48,349	100.0%	56,732	100.0%	+ 17.3%

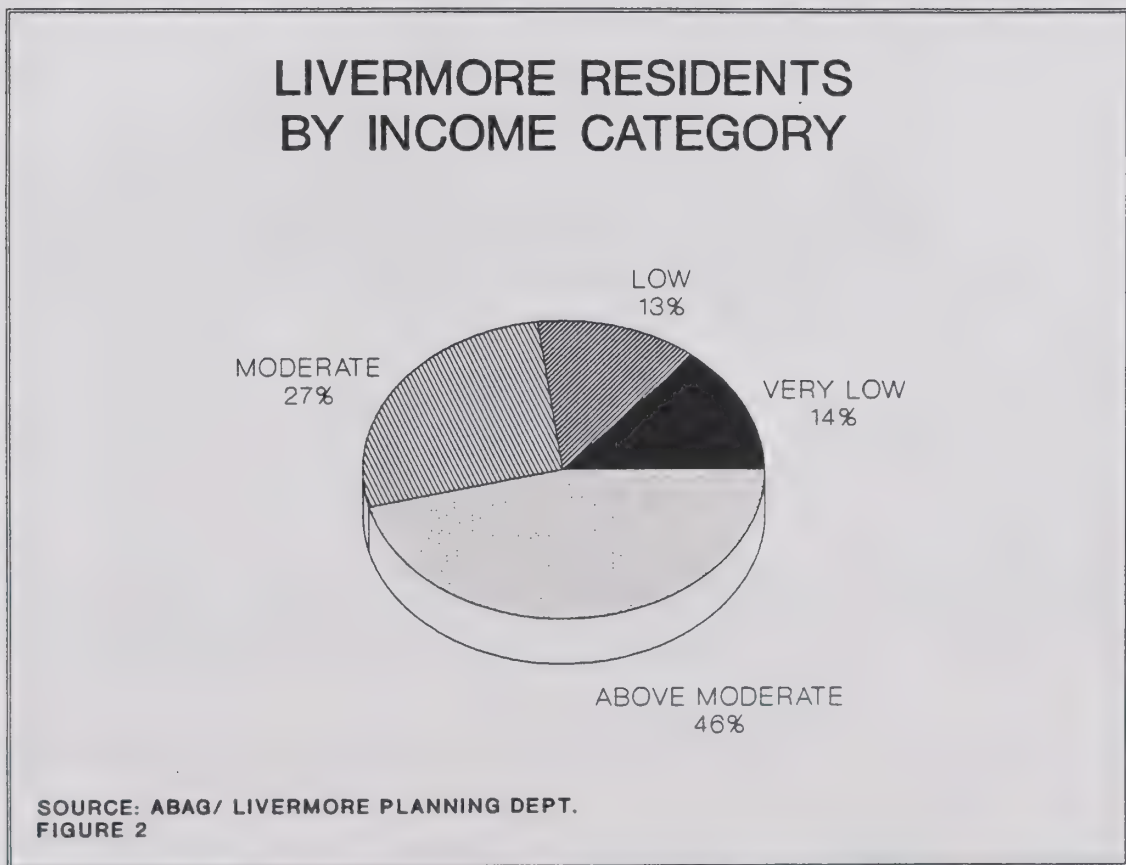
⁶ Projections 90; Association of Bay Area Governments, Oakland CA.

**TABLE 2
POPULATION BY ORIGIN**

	1980	PERCENT	1990	PERCENT	% CHANGE
HISPANIC	3,843	7.9%	5,587	9.8%	+ 45.4%
NON-HISPANIC	44,506	92.1	51,145	90.2	+ 14.9%

D. INCOME CHARACTERISTICS OF HOUSEHOLDS

In 1980, the median family income in Livermore was \$24,960, and \$20,018 for the Oakland Primary Metropolitan Statistical Area(PMSA)⁷. In 1990, the estimated median family income in Livermore was \$50,503⁸ and \$44,100 for the PMSA⁹. Generally, Livermore residents have higher incomes than residents of the region as a whole.



⁷ 1980 Census.

⁸ Raw data consists of estimates created by trend analysis by ABAG. Final data analysis by City of Livermore Planning Department staff, May 1991.

⁹ HUD estimate, 1990.

Above moderate income households are defined by HUD and HCD as those with incomes greater than 120% of the median. Moderate income households are those with incomes 80%-120% of the median, low income households are those with incomes 50%-80% of the median, and very low income households are defined as those with incomes less than 50% of the median income.

Based upon a median income of \$44,100 for the region, the following chart identifies the various income levels associated with each category and what percentage of Livermore residents fall into each of the categories.

**TABLE 3
PERCENTAGE OF LIVERMORE RESIDENTS BY INCOME CATEGORY**

INCOME CATEGORY		1990 INCOME	1990 % W/IN EACH CATEGORY*
VERY LOW	< 50%	< \$22,500	14%
LOW	50%-80%	\$22,500 - \$35,300	13%
MODERATE	80%-120%	\$35,300 - \$52,900	27%
ABOVE MODERATE	120%+	\$52,900 +	46%

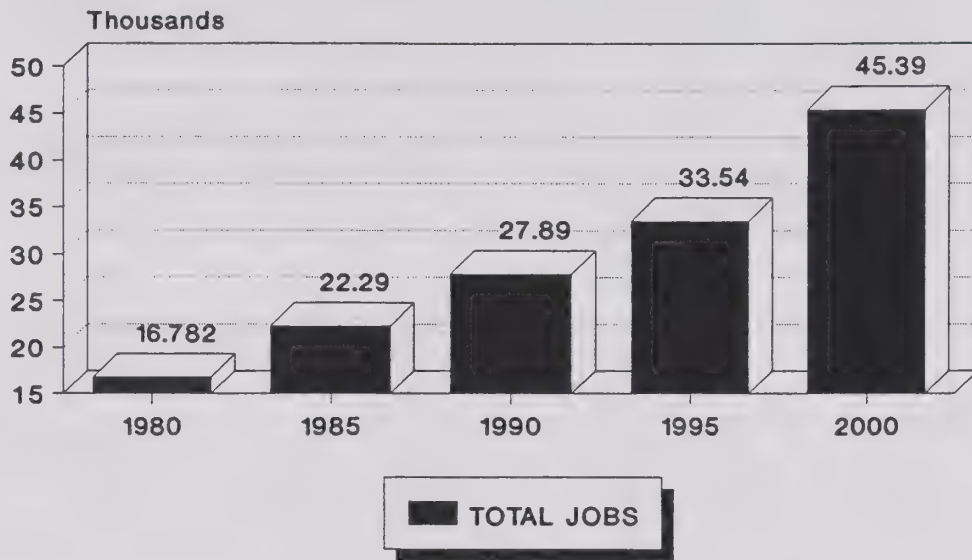
* Source: Raw data consists of estimates created by trend analysis of updated 1980 Census data by ABAG. Final data analysis by City of Livermore Planning Department, May 1991.

E. EMPLOYMENT TRENDS

As of 1990, Livermore provides approximately 27,900 jobs. This figure includes the Livermore Laboratory contiguous to Livermore's municipal boundaries. The City's Housing Element acknowledges the need to provide housing for Lab employees, but this also illustrates that issues concerning a jobs/housing balance cannot be confined to incorporated boundaries.

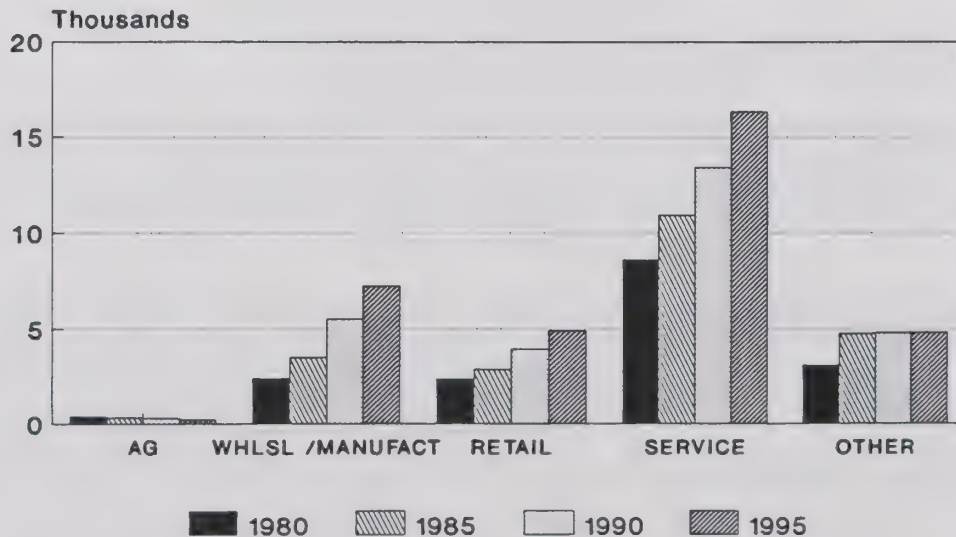
Livermore provided 22,300 jobs in 1985 and 16,800 jobs in 1980. ABAG estimates that the total number of jobs in Livermore will increase to 33,540 in 1995 and to 45,390 in the year 2000. This translates to an annual employment growth rate of 3.8% between 1990 and 1995 and 6.2% between 1995 and 2000. Based upon a slow national and regional economy at the beginning of the 1990's and possible infrastructure constraints (water and sewer export capacity), it appears that a slower job growth rate for 1990 to 1995 may occur.

TOTAL JOBS IN LIVERMORE 1980-2000



SOURCE: ABAG PROJECTIONS 90
FIGURE 3

LIVERMORE JOBS BY SECTOR 1980 TO 1995



SOURCE: ABAG PROJECTIONS 90
FIGURE 4

The majority of these new jobs will be in the warehouse distribution and retail areas. Generally, most of the jobs within these industries are lower wage positions. In the longer term, ABAG forecasts an increase in the potential for high-tech job creation, which will bring higher paying jobs. In the near term, the lower paying jobs will create an additional demand for affordable housing.

F. EFFECTS OF EMPLOYMENT TRENDS ON COMMUTING

Although a large number of criteria help determine where people will live in relationship to their jobs, employment trends have a profound effect on commuting patterns from the job to the residence. The above projections indicate that the City is currently producing more new jobs than new housing to accommodate those workers. The specific impacts of this trend depend upon the match (or lack of match) between the number of jobs and houses and the wages and cost of housing. Since Livermore is emerging from a period when it functioned primarily as a bedroom community, the increase in local employment will help to create a better balance between jobs and housing within the community. This trend would tend to decrease the need for commuting. However, many of the jobs that the City will be creating in the near future will have relatively lower wages. This trend contrasts with the cost of housing which has risen significantly over the last decade. This may create a widening disparity between wages and housing costs which would tend to increase the amount of commuting. The interactions between these different trends will determine whether commuting will increase or decrease because of projected employment trends.

With housing prices in Livermore less than housing costs in the central areas of the region, but substantially more than the neighboring Central Valley, a trend involving long distant commuting appears to be emerging. Employees with the highest wage jobs concentrated in the core areas of the region, commute from their relatively more affordable homes in Livermore to their jobs in San Francisco, Oakland or San Jose. At the same time, those employed in Livermore commute to relatively more affordable homes in the Central Valley for exactly the same reason.

Even in cases where housing affordable to employees working in Livermore is available locally, many chose to commute because they can get a much larger home in the Central Valley than they could locally for the same money. This phenomenon cannot be solved by regulatory intervention, and will only decrease as the prices for the various areas within and adjacent to the region begin to equalize. However, providing a local housing choice that is affordable to local workers will tend to reduce commuting somewhat.

G. JOBS / HOUSING BALANCE

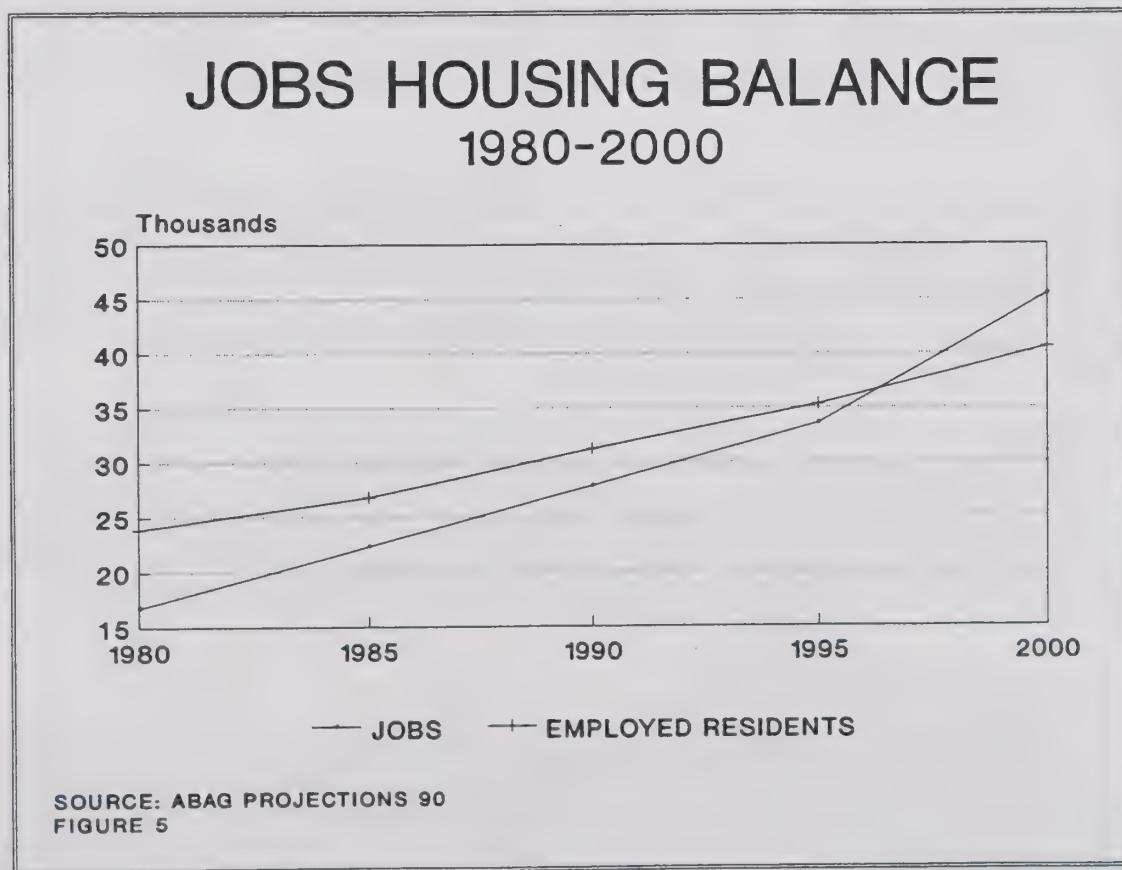
A jobs/housing balance contains two major components. The first is a numerical balance between jobs and housing which is defined as an equal number of jobs and employed residents within a given area. The second component involves providing housing that is affordable to households that hold the jobs within the area. If each city pursued a policy of creating a balance between jobs and housing, commuting could be reduced and the costs of supplying housing to support the commercial and industrial development in the region would be more fairly distributed.

According to ABAG estimates, in 1985 Livermore had 1.46 employed residents per household and in 1990 there were 1.48 employed residents per household. By 1995 ABAG estimates

that there will be 1.55 employed residents per household. As of 1990, Livermore has approximately 27,860 jobs¹⁰ and 21,489 housing units¹¹. Therefore the current local jobs/housing ratio is 1.30 employees per unit or in other words, Livermore has approximately 2,700 more housing units than needed to support the local employment population.

Based on the ABAG estimates for job growth in the City, Livermore will add 5,680 jobs between 1990 and 1995 or 1,136 jobs per year. It would take approximately 733 housing units a year¹² to match projected employment growth with housing growth. At a 3.8% job growth rate, and a 2.5% housing growth rate, Livermore's jobs/ housing balance will increase slowly from 1.30 currently to 1.38 in 1995. Based on 1.55 employed resident per household, Livermore will be providing approximately 2,675 more housing units than needed to support the 1995 local employment population. Currently, it would take a housing growth rate of 3.8% to maintain a equal ratio of jobs to housing.

Although Livermore and the Tri-Valley area provide more houses than jobs currently, overall the Bay Area has more jobs than houses. The City needs to carefully monitor changing trends and its jobs/housing balance. In general, housing-poor cities will have to create more housing, or employees of those cities will have to commute farther (such as from the San Joaquin Valley).



¹⁰ ABAG estimate, Projections 90; ABAG; Oakland, CA 1989.

¹¹ U.S. Census.

¹² 1,136 jobs per year / 1.55 employees per household = 733 housing units per year

The second component of a jobs housing balance is the cost of the units. Currently, as compared to the rest of the Bay Area, Livermore enjoys higher than average incomes and lower than average housing costs. These factors combine to increase overall housing affordability. However, as noted above, between 1990 and 1995, job growth will be concentrated in the retail, service, manufacturing and wholesale areas. These sectors have a large component of lower paying jobs. Therefore, the City will need to continue to ensure that sufficient affordable housing is built within the City. As noted in other sections of this element, multi-family rental housing is generally more affordable than ownership housing, so a housing program that includes a commitment to development of multi-family housing would begin to address this issue.

However, by nature of its location in the Bay Area, Livermore cannot address the issues of jobs and housing without considering the surrounding environment in which the City exists. To effectively address these issues in the long term, they will need to be considered in a larger context, both topically and geographically. That is, a number of related issues impact housing policy, including economic development and distribution of tax income (per capita verses location of facility), open space preservation, and transportation infrastructure policies. Therefore, those policies will need to be considered as a part of any effective long term solutions to housing issues. In addition, these issues transcend Livermore's boundaries, so statewide policy change or regional cooperation will be required to adequately address these issues.

III. HOUSING STOCK CHARACTERISTICS

A. EXISTING HOUSING STOCK

The State Department of Finance indicates that the City had 20,932 housing units as of January 1, 1990.¹ Department data identified 20,732 occupied households. Detached single family homes continue to make up the bulk of the City's housing stock (71.8 percent). This continues a consistent trend observed over several decades. Most project-type multifamily housing has occurred since the mid-1960's. A considerable number of these units were built during the last decade (1,615 units). Comparison of trends from 1984 to 1990, indicate a fairly significant increase in the ratio of attached multiple family units (including townhouses and condos) to detached single family homes. The proportion of detached units declined from 81.5% in 1984 to 71.8% in 1990, while attached units grew from 16.2% to 26.1% of the housing stock. The 1990 Census shows that 34.6% of total housing stock are rental units.

B. GROWTH OF HOUSING STOCK

TABLE 4
HOUSING DISTRIBUTION BY TYPE OF UNIT 1960-1990

	1960 ²	1970 ³	1980 ⁴	1984 ⁵	1990 ⁶
Population	16,058	37,703	48,349	51,946	58,419
Total Housing (year around)	5,093	11,430	16,637	17,947	20,932
Detached Single Family Units	4,615	9,761	14,560	14,633	15,029
Percent of Total	90.6	85.4	87.5	81.5	71.8
Multiple Family (Condos et al)	445	1,457	1,808	2,911	5,470
Percent of Total	8.7	12.7	10.9	16.2	26.1
Mobile Homes	33	212	269	403	433
Percent of Total	.65	1.9	1.6	2.2	2.1

1 The 1990 Census indicates that the City has 21,489 housing units. However, the difference in units is not considered statistically significant, and is partially a function of how units are defined.

2 U.S. Census of Housing, 1960 - CA.

3 U.S. Census of Housing, 1970 - CA.

4 U.S. Census, 1980

5 CA. State Department of Finance - January 1, 1984

6 CA. State Department of Finance, January 1, 1990. U.S. Census, 1990 data, indicates the City had a population of 56,741, and 21,489 housing units as of April 1, 1990. The purpose of the above table is to indicate trends. Department of Finance data, remains Continued on following page

The City has experienced substantial growth in housing stock since 1984, adding 2,985 housing units, which exceeded ABAG's total projected need by 687 units. Growth of housing stock by type of unit is summarized in the table above.

C. HOUSING QUALITY

Most of Livermore's housing stock remains in good structural condition. A majority of the single and multiple housing stock was built after 1950. Although the class of housing stock is average, both single family and multiple family units are well maintained. Due to the City's long-term commitment to replacing and rehabilitating substandard housing, there are fewer than a dozen units in advanced state of disrepair.

Thirty-five units of substandard housing, on a privately owned site in the downtown area were demolished in 1989. These units were unfit for rehabilitation, and were replaced by a Redevelopment Agency project involving development of a large multiple family rental complex on a nearby site. The City contracted with a specialist to relocate people living in those units to decent and affordable housing.

A survey of the City's housing stock in 1975 had found only 122 units in deteriorated condition. At that time, approximately 99% of all units in the City were considered structurally sound, as compared to 93.4 percent in 1960.⁷

At part of its Housing Assistance Plan, the City makes available CDBG funds for home improvements. The City contracts with Alameda County for owner occupied Home Repair and Rehabilitation. Between 1981-1988 the City provided assistance to repair/modernize 98 dwellings, and targeted additional assistance for 175 units between 1988-1992.⁸

D. VACANCY RATES

The decreasing vacancy rate for available housing limits choice for both new and existing housing in various price ranges. Vacancy rates have been more critical in lower income single and multiple housing stock. It is difficult for people to find vacancies in lower income housing, and there are long waiting lists for subsidized housing. Housing vacancy rates are presented in the following below. State Department of Finance (DOF) estimates indicate that the overall vacancy rate for all dwelling units in the City has been 2.4% from 1983 through 1990. In 1989, ABAG set a regional housing vacancy goal of 4.5% for the Bay Area.⁹

Using DOF data, the average vacancy rate for all Alameda Cities in 1990 was 2.98%.

Continued from previous page

valid for that purpose; the discrepancy between Census and D.O.F. data is not considered statistically significant.

7 Housing Element 1985-1990, City of Livermore General Plan, page 12.

8 Summary Housing Report, City of Livermore, July 1988, page 4.

9 1989 ABAG Housing Needs Determination, page v.

TABLE 5
LIVERMORE HOUSING VACANCIES - 1960-1990

<u>Year</u>	<u>Units for Sale</u> <u>Vacancy Rate</u>	<u>Units for Rent</u> <u>Vacancy Rate</u>
1960 ¹⁰	7.7%	4.0%
1970 ¹¹	3.2%	4.9%
1975 ¹²	3.7%	2.6%
1980 ¹³	.8%	2.9%
1981 ¹⁴	.6%	.9%
1982 ¹⁵	.7%	2.9%
1983 ¹⁶	.8%	2.5%
1988 ¹⁷	1.3%	3.1%
1989 ¹⁸	1.3%	4.0%

E. ECONOMIC CHARACTERISTICS OF HOUSING

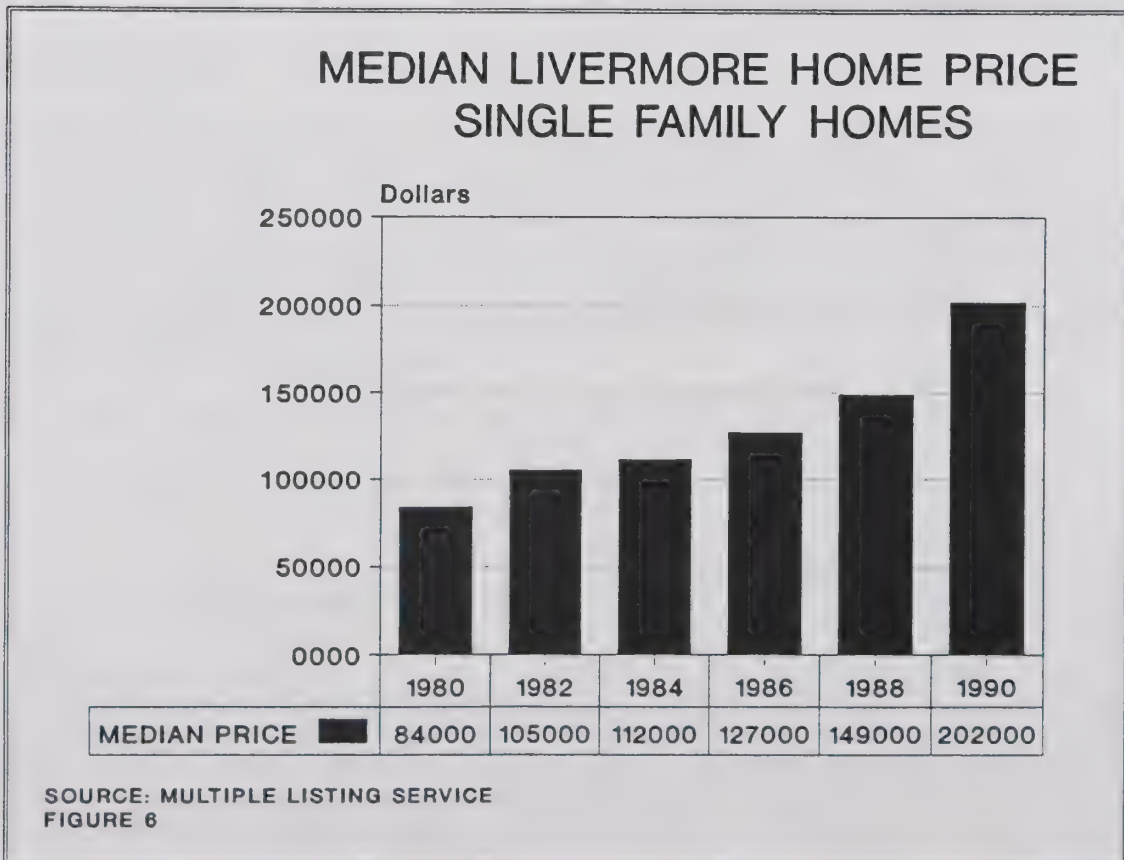
Spiraling costs have made housing a problem for much of the workforce, as well as the young and the elderly. Increased costs affect the renter and home buyer alike, ultimately affecting the cost and availability of labor for the region's industries due to the decreasing supply of affordably priced housing. This phenomenon is reflected in escalation of median priced homes in the Bay Area (150% increase over the past decade). In 1980, a median priced home in the Bay Area cost \$104,376. In 1989, the median price was \$260,592. Incomes increased by less than 70% during the same period.¹⁹ The 1980 median price for a home in Livermore was \$86,920, in 1990 the median price was \$217,300 according to preliminary Census data.

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- 10 U.S. 1960 Census of Housing - California
 - 11 U.S. 1970 Census of Housing - California
 - 12 CA. State Department of Finance, Special Census for Livermore, 1974
 - 13 U.S. 1980 Census of Housing - California
 - 14 Federal Home Loan Bank of San Francisco
 - 15 et. sec.
 - 16 Housing Element 1985-1990, City of Livermore General Plan.
 - 17 Spear Street Advisers, Inc., San Francisco, CA.
 - 18 Federal Home Loan Bank of San Francisco.
 - 19 Bridge Housing Corporation 1989-1990 Annual Report, page 4.

TABLE 6
MEDIAN SALES PRICE OF SINGLE FAMILY HOUSES
IN LIVERMORE 1980-1990

	<u>1980</u>	<u>1982</u>	<u>1984</u>	<u>1986</u>	<u>1988</u>	<u>1990</u>
Median Sales Price of House	84,000	105,390	111,522	127,000	149,000	202,000
Annual % increase past 2 years		0.12	0.03	0.07	0.08	0.16
Annual % Increase since 1980		0.12	0.07	0.07	0.07	0.09
Houses in Sample	50	35	304	812	1503	648

Sources: Above data reflects resale market. 1980 - 1984 data from Alameda County Board of Realtors; 1986 data from South Alameda County Board of Realtors; 1988 data from Spear Street Advisors, 1990 data from South Alameda County Association of Realtors (SACAR). Using SACAR data, the median price of a home for resale in Livermore was \$202,000 in 1990. By comparison, Pleasanton's median resale price for the same period was \$297,000.



Where much of the City's single family housing stock has been historically affordable, it is now more difficult for middle income residents to purchase a home. A detached single family home costing \$202,000 normally requires at minimum a 10% down payment (\$20,200) and would typically require an annual income of \$67,650 to purchase/lender qualify. The table below provides a range of annual incomes required to purchase a home.

Translating home prices into required incomes to purchase is far from an exact science. Table 7 represents one set of plausible assumptions that generate required incomes for various priced homes in Livermore. To generate the assumptions in the tables, mortgage brokers as well as representatives of major banks were interviewed. The following scenario was developed. A typical borrower was assumed to have a steady income, a good credit history and a moderate amount of other consumer debt payments (no more than 4%-5% of gross income). The maximum amount of housing expense that various lenders permit varies from a low of 28% for fixed loans that will be sold to Freddie Mac or Fannie May to a high of 38% for adjustable rate loans that will be retained by certain individual investors or institutions. The 33% rate chosen for the table would exclude the borrower from all of the most conservative lending programs, but the mortgage brokers who were interviewed were confident that a reasonable range of lending programs would be available using these parameters. It was also noted that the 9.5% interest rate was reasonable although somewhat conservative since some lenders will qualify for an adjustable loan at a sub-market rate that would range as low as 7.5% to 8.5% currently.

**TABLE 7
ANNUAL INCOME REQUIRED TO BUY A HOME**

Home Price	Down Payment	Amount Financed	Income Required	% of PMSA Median Inc.	% of Liv. Res. able to afford
93,000 ²⁰	9,300	83,700	31,140	71%	77%
147,000 ²¹	14,700	132,300	49,230	112%	52%
159,000 ²²	15,900	143,100	53,250	121%	45%
170,000 ²³	17,000	153,000	56,930	129%	40%
202,000 ²⁴	20,200	181,800	67,650	153%	26%

Table assumes a 9.5% mortgage for 30 years, 33% maximum housing expense as a percentage of income, and 10% down payment. Housing expense includes principal, interest, property tax (1.25%), property insurance (.35%), and mortgage insurance (.45%).

Source: Amortization table

²⁰ Price of the 10th percentile condo/townhome in Livermore, 1991.

²¹ Median priced condo/townhome in Livermore, 1991.

²² Price of 10th percentile single family detached home in Livermore, 1991.

²³ Price of 20th percentile single family detached home in Livermore, 1991.

²⁴ Median priced single family detached home in Livermore, 1991.

F. HOUSING CHOICE

The availability of a mix of housing types and sizes is an important goal in meeting the varied social and economic needs of residents in the community. Availability of choice affects expanding families that need larger homes, retirees who would like to move from a large home to a smaller one requiring less maintenance, or the first-time buyer who is seeking an initial opportunity to own a modest sized starter home. Choice in housing is constrained by several factors. One factor is increased costs, for example, the median price of a resale home in Livermore increased 216% between 1980 and 1989 (as noted earlier, the median price of a home in the bay area increased 150% over the same period). Another factor is the prospect of established homeowners paying increased property taxes (under Proposition 13) if they move and purchase a smaller (or larger) home. A third factor is low vacancy rates, especially in the units for sale market.

In Livermore, an additional factor was a lack of larger - move up housing stock. The City has traditionally provided more modest sized affordable homes, in comparison to other communities in the Tri-Valley area. Almost all single family housing built before 1980 are "starter" homes. In consequence, to move to larger homes, residents had to leave the community. In response, the City's Housing Implementation Program (HIP) encouraged the production of move up housing between 1988 and 1990. The availability of more affordable housing stock was presumably enhanced, as existing residents in more affordable housing used their equity to purchase move up housing. This created vacancies in the more affordably priced housing market, benefiting lower income and first-time buyers as well, although overall housing prices were rising as well.

Based on an analysis of the effects of the 1988-1990 approvals, the "move up" housing stock was increased substantially, while the City continued to have a strong need for the production of affordable housing. Therefore, the 1991-1993 Three Year HIP cycle includes a reserved category of 20% of available units for lower cost housing, including first-time buyers, senior and lower income owner/renter projects.

G. SUBSIDIZED HOUSING

The City has continued a sustained effort to produce additional affordable housing, and to maintain rental subsidies for lower income residents and families. The principal source of local funds is the "in-lieu" fee paid by developers. The in-lieu fee program serves as an alternative to the City's inclusionary Zoning Ordinance, which requires the production of affordable housing as part of housing projects. This program funds most of the Housing Element's action plans and implementation programs.

Below is a table which shows the City's progress in providing low, moderate and senior housing. It includes Section 8 units and other resale agreements or rent control agreements signed with the City. The following list does not include a significant amount of low and moderate income housing produced during the period that was sold or rented at low or moderate price ranges without City controls.

TABLE 8
EXISTING LOW & MODERATE INCOME & SENIOR HOUSING

<u>Total No. of units</u>	<u>Lower Cost Units</u>	<u>Development</u>	<u>Year of Approval</u>	<u>Year Compl. Prior to 1980</u>	<u>Sale vs. Rental</u>
96	59 (low)	Livermore Gardens			Rental
55	20 (low)	Hillcrest Gardens*		"	Rental
125	125 (low)	Leahy Square		"	Rental
135	47 (low)	Meadowbrook		1981	Rental
75	75 (low)	Vineyard Village*		1982	Rental
135	34 (low)	Diablo Vista		1983	Rental
165	41 (low)	The Arbors	1984	1985	Rental
32	8 (low)	Springtown Pines	1984	1985	Sale
60	60 (mod)	Westwinds Apts.	1985	1987	Rental
200	50 (low)	Autumn Springs	1984	1987	Rental
167	67 (low)	Heritage Park*	1985	1987-88	Rental
76	15 (low)	Chardonnay Garden	1987	1989	Rental
176	35 (low)	Portola Meadows	1988	1990	Rental
80	9 (low) 24 (mod)	Chateau	1986	1988	Rental
14	5 (low) 9 (mod)	East Greens Townhouses	1984	1990	Sale
465	22 (low) 213 (mod)	Brookmeadow	1986- 1988	1987-89	Sale
55	4 (mod)	Windmill Springs	1989	1990	Sale
252	12 (low) 22 (mod)	Portola Glen	1985- 1990	1990	Sale
96	10 (low)	Portola Park Apts.	1990	1990	Rental

*Senior Housing Source: City Housing Records

The table shows that a total of 669 low income and 332 moderate income housing units currently exist or are approved within the City. During the last 3 year HIP 41 low income and 34 moderate income units were approved. This compares to 116 low and 220 moderate income units approved during the previous 3 year cycle. In addition, approximately 475 housing vouchers and Section 8 certificates have been issued and can be used for any rental unit within the City. The vouchers and certificates essentially convert an additional 475 market units into low income units. Therefore, the equivalent of 1,054 low income (includes an income range of 51 to 80% of the HUD defined median income for Alameda County - which was \$44,100 in 1990) and 332 moderate income units exist or are approved for construction in the City.

IV. HOUSING SUPPLY AND NEEDS

Section 65583 of the Government Code requires that Housing Elements identify and analyze existing and projected housing needs for all economic segments of the community. This is to include analysis of special housing needs, including handicapped, elderly, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter. The State mandates that existing and projected needs include the locality's share of the regional housing need, determined by the regional Council of Government (ABAG). These requirements are discussed in the sections below.

A. LOCAL HOUSING SUPPLY

The City's housing supply reflects supply and demand in the real estate market, and residential growth policies contained in the General Plan. Current trends affecting private sector activity are discussed in other sections of the Element. The effects of growth management policies on housing supply are discussed below.

1. General Plan Policies

A foundational policy of the General Plan is that future growth shall not exceed the City's capability to provide infrastructure and services. To implement this policy, the General Plan allows for an average residential growth rate of between 1 1/2% to 3 1/2% of the present population in a calendar year. Using the Housing Element of the General Plan as a guide, the City formulates a Three Year Housing Plan through its Housing Implementation Program (HIP). Under direction of the City Council, this program allocates the number of units to be built during the three year cycle, and determines the annual growth rate, within the range set by the General Plan. Since the inception of the City's growth management program (1976), the City has been able to produce the total number of units required to meet its regional fair share of housing need, as determined by ABAG; although not in the very low category.

The table below shows the projected housing that will be produced over the next 10 years, using an average maximum growth rate of 2.5%. While the actual growth rate may vary with each cycle of the City's 3-Year Housing Plan, 2.5% is a reasonable projection for the 1990-1995 period. Using this growth rate, the table indicates that substantial new housing will be produced meeting regional fair share housing goals.

TABLE 9
PROJECTED HOUSING STOCK BASED ON 2.5%
YEARLY POPULATION GROWTH RATE

<u>YEAR</u>	<u>POP.</u>	<u>PERSON/ HOUSE</u>	<u>TOTAL DU</u>	<u>SINGLE FAMILY DETACHED</u>	<u>FAMILY ATTACHED</u>	<u>MULTI- FAMILY</u>	<u>MOBILE HOMES</u>
1990	58419	2.8	20932	15029	1516	3954	433
1995	66096	2.8	23606	16949	1710	4459	488
2000	74781	2.8	26708	19176	1934	5045	552

Source: State Dept. of Finance 1990, and Livermore Planning Department projections.

2. Estimated Costs to Purchase/Rent Housing

The previous chapter indicated a substantial increase in production of rental housing over the last decade. This trend may continue in part due to the continued escalation of housing prices, which now prevents households below the Moderate Income category from entering the housing market. State law defines affordability as a housing unit where the household does not pay more than 25% of its income towards housing costs.

TABLE 10
STATE AFFORDABILITY GUIDELINES FOR A FAMILY OF FOUR (1990)

Very Low	50% of Median	\$22,050
Low	80% of Median	\$35,280
Moderate	100% - 120% of median	\$44,100
Above Moderate	120% of Median & Above	\$52,920

The above state affordability income guidelines for a family of four can be compared with the following tables which profile cost trends in Livermore's rental and for sale housing market for different housing types over the last decade.

TABLE 11
ESTIMATED MEDIAN APARTMENT RENT 1981-1991

<u>Size of Unit</u>	<u>Monthly Rent</u>		
	<u>1981</u>	<u>1984</u>	<u>1991</u>
One bedroom	\$316	\$443	\$700
Two bedroom	\$371	\$527	\$805
Three bedroom	\$500	\$625	\$881

Source: Planning Department Survey of Apartment Managers, May 1991

TABLE 12
ESTIMATED COST OF RENTING A HOUSE

<u>Size of House</u>	<u>1984</u>	<u>1991</u>
Three bedroom	\$756	\$992
Four bedroom	\$799	\$1093

Source: Information from local newspaper ads.

TABLE 13
ESTIMATED COST OF PURCHASING A HOUSE

<u>Number of Bedrooms</u>	<u>1981 Ave. Sales Price</u>	<u>1984 Ave. Sales Price</u>	<u>1991 Ave. Sales Price</u>
Two bedrooms	\$81,183	\$86,617	\$175,633
Three bedrooms	\$99,710	\$104,770	\$211,788
Four bedrooms	\$120,000	\$133,262	\$246,517

Note: Based on data from the South Alameda County Association of Realtors, the **median price** of a detached single-family residence in Livermore in 1991, was **\$202,000** (based on sales of 648 units).

Source for Above Table: Information from local newspaper ads.

TABLE 14
ESTIMATED COST OF BUYING A CONDOMINIUM OR TOWNHOUSE

<u>Size of Unit</u>	<u>1984</u>	<u>1991</u>
Two bedroom	\$77,496	\$145,950
Three bedroom	\$84,827	\$164,890

Source: Local newspaper Ads.

B. OVERPAYMENT OF LOWER INCOME HOUSEHOLDS

According to State Law, a lower-income household that pays more than 25% of its income for housing is living in unaffordable housing. The federal threshold to measure overpaying is 30%. Household incomes are divided into four categories: very low, low, moderate and above moderate income. The lower income categories represent incomes of up to 80% of the regional median household income. The regional median income for Livermore was \$44,100 in 1990, so lower-income households were those with an income of \$35,280 or less.

The table below is excerpted from ABAG's Housing Needs Determinations Report (1989). It shows the proportions of lower-income households overpaying for housing in Livermore. Regionally, ABAG data shows that approximately 70% of lower-income renter households overpay for housing while 40% of lower-income owner households overpay. In Livermore, overpaying lower income owners significantly exceeds the regional (but not Tri-Valley) average.

TABLE 15
LOWER-INCOME HOUSEHOLDS OVERPAYING FOR HOUSING
IN LIVERMORE - 1990

<u>lower income owning</u>	<u># lower income renting</u>	<u># lower income hh overpaying (owners)</u>	<u># lower income hh overpaying (renters)</u>	<u>Proportion lower income owners overpaying</u>	<u>Proportion lower inc. renters overpaying</u>
1,849	2,291	1,042	1,693	56%	74%

Note: hh (households) means occupied housing units in Livermore.

C. NUMBER OF OVERCROWDED HOUSEHOLDS

The City Building and Planning Departments indicate they have received less than ten complaints regarding overcrowded conditions during the past year. The 1980 Census indicated that only 2% (or 342 households) were overcrowded.

D. AMOUNT OF HOUSING NEEDING REHABILITATION

The City receives approximately \$300,000 in federal funds from the Community Development Block Grant (CDBG) Program. Grants go for a variety of programs involving public improvements, housing counseling, site acquisition, and housing repair and rehabilitation.

City programs utilizing CDBG funds for repair and rehabilitation include:

1. Neighborhood Revitalization Program

The City has a neighborhood revitalization target area including four older residential blocks in census tracts 4514, 4515 and 4516. The Target Area overlaps the City's Redevelopment Area and extends beyond it. The 1980 Census indicated that more than 51% of residents in these areas were of low or moderate incomes.

According to the 1980 Census, of 1,446 units in the Target Area, six had no heat, 11 had inadequate bath facilities, and 238 units lacked central heat. The City contracts with Alameda County to administer and provide low interest rehabilitation loans or technical assistance to homeowners in the target area.

2. Community-Wide Housing Rehabilitation and Minor Home Repair

a. Owner Rehabilitation

Livermore provides a city-wide program of home repair and rehabilitation assistance to homeowners with low and moderate incomes, through contract with Alameda County. This program primarily targets seniors or the disabled who cannot provide their own repair/maintenance activities. The Housing Assistance Plan (HAP) for 1990-1993 identifies 134 ownership units in need of minor rehabilitation. It is projected that an average of 3-4 of these units will receive rehabilitation assistance on an annual basis.

b. Rental Rehabilitation

The 1980 Census indicated that out of 16,637 households in the City, 4,669 were occupied by renters (28%). The City's 1990-1993 Housing Assistance Plan indicates that 258 rental units are in substandard condition.

The City is also using CDBG funds to provide improvements for Hillcrest Gardens, a 54-unit low income senior housing development.

c. Public Housing Modernization

The Livermore Housing Authority manages Leahy Square, a complex providing 125 low income units. The apartments at Leahy Square are primarily occupied by families, including approximately 325 children. The City provides CDBG funds to assist the Housing Authority in making needed improvements for this complex. The Housing Authority has applied for and received substantial funding to modernize baths and kitchen facilities in all the units at Leahy Square. The source of funds is from the Comprehensive Improvements Assistance Program (CIAP).

E. AMOUNT OF HOUSING NEEDING REPLACEMENT

In 1989, the Redevelopment Agency (RDA) purchased 35 substandard dwelling units located on Railroad Avenue near N Street. The Building Department determined that only 25 of the units were habitable. Residents of the 12 occupied units were relocated pursuant to State and Federal guidelines. In compliance with California Redevelopment Law, the RDA is in the process of replacing the 25 habitable units as part of a joint public/private venture with Eden Housing to build a 70 unit complex providing low and very low income rental units. There are no other units identified as unsuitable for habitation at this time.

F. SPECIAL HOUSING NEEDS

The City of Livermore's most significant housing problem is affordability. The City has accumulated approximately \$3 million in in-lieu housing fees and approximately \$600,000 in redevelopment housing set-aside fees. While these funds are insufficient to resolve the affordability problem, they have been targeted to assist those who otherwise may not be able to live in Livermore due to the high cost of housing. Groups requiring assistance include low income families - especially female head of households, first-time buyers, and lower income seniors. Additional funds and programs have been used to assist other groups in the special needs category. These efforts are discussed below. The 1990 Census, when available, will allow updating of some special needs and consideration of special housing programs to meet them.

1. First-Time Buyers

By September 1991, the City of Livermore plans to have in place a new Deferred Second Mortgage Program (DSM). This program will provide a silent second mortgage loan of up to \$20,000 to enable moderate and low income persons to buy a new or existing house in the City. The City's second mortgage would "bridge the gap" between the mortgage a buyer could afford and the actual purchase price of the residence. The \$700,000 dedicated to this program is from the "in-lieu" low income housing fund.

The City currently participates in a Mortgage Credit Certificate Program (MCC) with Alameda County. The certificate qualifies the homebuyer to an annual credit against federal income taxes of 20% of the annual interest paid on their mortgage. This

effectively reduces the monthly mortgage payment, enhancing the ability to lender qualify and afford a mortgage payment. Thirty-seven MCC's were issued to Livermore homebuyers in 18 months between July 1989 and December 1990. Through combined use of the Deferred Second Mortgage Program and the MCC Program, the City hopes to reach potential homebuyers with incomes at or below 80% of the median income for the area.

TABLE 16
MAXIMUM PERMISSIBLE INCOMES FOR DSM PROGRAM:

80% of Median Inc.

<u>Household Size</u>	<u>Annual Income</u>
1 - 2	\$29,952
3 - 4	\$37,440

100% of Median Inc.

<u>Household Size</u>	<u>Annual Income</u>
1 - 2	\$37,440
2 - 3	\$46,800

120% of Median Inc.

<u>Household Size</u>	<u>Annual Income</u>
1 - 2	\$44,930
3 - 4	\$56,160

The first lower cost homebuyer program utilizing resale controls involved 8 of 32 single-family homes sold in 1985. The original purchase price for these homes was \$87,775. In the past 5 years, through the City's 10% low income inclusionary housing requirement, developers have provided 61 new homes for low income buyers.

2. Household Subsidies

The Housing Assistance Plan for the 1990-1993 period indicates rental subsidy needs for very low income households include 264 elderly, 548 small families, and 40 large families. Other lower income households needing rental subsidies include 106 elderly, 392 small family, and 73 large family households. In total, 1,423 households are in need of rental subsidies according to this report.

3. Housing for Elderly

The 1980 Census indicated that 5.9% of the population in Livermore were 65 years or older. Over 8% of elderly were at the poverty level. Data was not available to indicate what portion of the City's elderly households were overpaying. The City's 1984 Housing Assistance Plan reported that 25.8% of all persons receiving rental subsidies were elderly. During that time, the City's two senior subsidized housing projects (135

units) had waiting lists of 100 and 200 eligible applicants waiting from 18 months to 2 years for a unit. Recent discussions with staff from the Livermore Housing Authority and ECHO (renter/buyer counseling) indicate that waiting lists of similar length continue to be the norm, showing that a strong need exists for more subsidized housing and rental subsidies/vouchers.

4. Disabled

According to the 1980 Census, there were 778 non-institutionalized persons with a work disability between the ages of 11 and 64¹ and 832 people not in the labor force who had a work disability. Special housing needs include guarded care for mentally/physically handicapped adults.

Special housing features for the disabled may include handicapped equipped bathrooms, pull bars, ramps, low cabinets and electrical switches, easy on/off faucets, etc. Blind people need sounds for things sighted people distinguish by seeing; deaf people need lights to operate as signals that replace reliance on sounds.

The 1980 Census reported that 621 persons had a public transportation disability, 55% of which were over 64.

In 1990, The City designated a \$40,000 Community Development Block Grant, along with a grant from the State, to acquire a residence where 5-6 mentally ill adults live in a congregate situation. This is the first facility of its kind in Livermore.

Livermore's municipal code requires all first story housing unit floor plans to meet space requirements for conversion to handicapped units.

5. Female Heads of Households

The number of female-headed households (divorced, widowed, separated) in Livermore, was 3,189, according to the 1980 Census. Based on this data, it is estimated that 27% of all poverty families in Livermore have female heads of households.

6. Large Families

The Housing Assistance Plan for the 1990-1993 period indicates that rental subsidies are needed for 113 large family households. Rental subsidies were available for 25 of these families. The City is currently co-sponsoring development of a new multi-family complex that will provide 35 three-bedroom units designed to serve large families on low and very low incomes. Occupancy of the new development is projected to occur sometime in 1992.

7. Homeless/Emergency Shelter

The needs of displaced persons have increased over the last decade, due to a variety of factors including the increased disparity between income and housing costs, a declining vacancy rate, economic downturns, and cutbacks in federal and state housing programs/funding. In Livermore, three emergency shelters were established between 1980-1985 to assist in addressing this problem. However, the shelters provide only temporary refuge.

¹ 1985-1990 Livermore Housing Element, pg. 29

There continues to be a need for shelters and programs to allow homeless families and persons to re-enter the housing and employment market. The availability of child care for single heads of households is an important consideration that potentially limits employment and housing opportunities for some families. The resulting need for housing is evidenced by a decade of long waiting lists for Section 8 certificates, vouchers and subsidized housing.

The City has used CDBG funds and other resources to acquire houses or make improvements that helped to establish three shelters in current operation in Livermore. These funds and resources also assist in meeting ongoing operating costs. The shelters include:

a. Valley Family Shelter

One 15 bed shelter for families. Maximum stay is 60 days. The shelter turns away about 60% of those seeking shelter in the winter, about 40% in the summer.

b. Tri-Valley Haven

Two shelters for battered women and children, with 18 and 12 bed capacities. Maximum stay is 90 days. Approximately 1,700 people are turned away annually.

c. Shepards Gate

This is an additional 16 bed shelter for homeless women and children operated by an independent organization which does not receive City funding. Maximum stay is 3 weeks. The shelter assists approximately 400 persons a year. The City has maintained a long-term commitment to establishing new shelters as resources permit. Shelters are allowed in any zone with a Use Permit.

8. Farmworkers

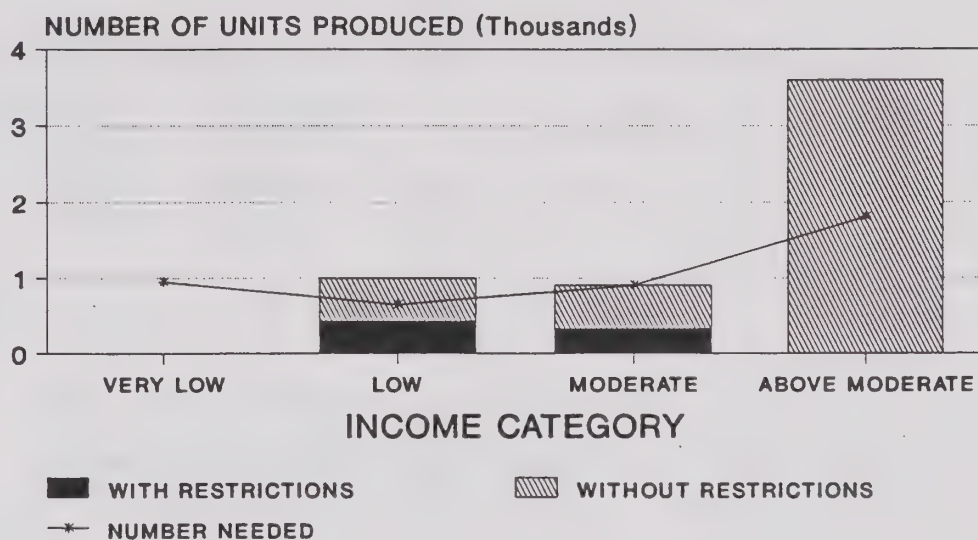
No farmworkers reside in Livermore.

G. ABAG REGIONAL HOUSING NEEDS PROJECTIONS

ABAG's housing need formulations include the number of housing units that should have been available, calculated from an optimal (4.5%) vacancy rate. Projected housing need means the number of units needed to accommodate growth of households in the City, including existing need.

Livermore's fair share of the regional housing need for the period 1980-1990 was projected by ABAG to be 4,311 units (ABAG, Projections 83'). For this period, the City approved 5,508 residential units (source: April 1991 - Residential Activity List), meeting 128% of its regional fair share requirement. During this decade the City actually issued 4,602 building permits. During the 1985-1990 period, growth management allocations were granted to projects encompassing 1,620 acres of residential land. The table below summarizes the City's progress toward meeting regional housing needs.

LIVERMORE HOUSING NEEDS MET 1980-1990



SOURCE: ABAG, LIVERMORE PLANNING DEPT.
FIGURE 7

TABLE 17
MEETING REGIONAL HOUSING NEEDS 1980-1990

	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Mod.</u>	<u>Total</u>
Number Needed ¹	948	647	905	1,811	4,311
Number Approved W/ Rental/Resale Restrictions ²	0	430	332	0	762
Number Approved W/O Rental/Resale Restrictions ³	0	574	574	3,598	4,746
Total Units Approved	0	1,004	906	3,598	5,508
Percent of Goal	0%	155%	100%	199%	128%

- (1) ABAG, Housing Needs Determinations, December 1983
- (2) Planning Department Records
- (3) Planning Department Calculation based on estimated rents

The Table below shows ABAG's projected need for housing by income category from 1988-1995, for the City of Livermore.

TABLE 18
ABAG PROJECTED NEED BY INCOME CATEGORY 1988-1995

	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Mod.</u>	<u>Total</u>
Number Needed ¹	559	381	533	1,066	2,538
Number Approved W/ Rental/Resale Restrictions ²	0	44	213	0	257
Number Approved W/O Rental/Resale Restrictions ³	0	104	367	2,482	2,953
Total Units Approved	0	148	580	2,482	3,210
% of Goal to Date	0%	39%	109%	233%	126%
Total Units Remaining	559	233	0	0	0

- (1) ABAG, Housing Needs Determinations, December 1989
- (2) Planning Department Records
- (3) Planning Department Calculation based on actual rents

As the above table indicates, the City has already met and exceeded its regional fair share of housing through 1995. At this time there is a substantial deficit in housing produced for Very Low, and Low Income categories. The City is currently in the process of co-sponsoring a project with Eden Housing that will produce a 70-unit apartment complex for very low and lower income families. Very low income housing will only occur through housing that is assisted by public subsidies, including the 70-unit project now being processed. This project will provide 20 very low and 50 low income units.

The table below indicates existing percentages of housing by income category, and indicates ABAG's **redistribution** goals for housing by income for the City of Livermore.

TABLE 19
EXISTING & TARGETED % OF HOUSING BY INCOME CATEGORY

<u>Income Category</u>	<u>Very Low</u> <u><50%</u>	<u>Low</u> <u>51%-80%</u>	<u>Moderate</u> <u>81%-120%</u>	<u>Above Mod.</u> <u>120%+</u>
% of Region's Residents with Income In Each Range	23%	16%	21%	40%
% of Livermore Residents with Income** in Each Range	14%	13%	27%	46%
ABAG Target For Livermore, % of Units in Each Range	22%	15%	21%	42%

Source: 1989 ABAG Housing Needs Determination, page 37.

** Note: Raw data percentages in this column consist of estimates created by trend analysis of updated 1980 Census data by ABAG. Final data analysis by Livermore Planning Department, May 1991.

The data in the above table indicates that the City of Livermore has higher than average incomes for the PMSA. This table is referenced in the following section.

H. AFFORDABLE HOUSING

Affordable housing indicates the financial ability of a household to rent or purchase a housing unit. The California Department of Housing and Community Development defines 4 basic income groups; and the U.S. Department of Housing and Urban Development (HUD) calculates income ranges relative to the area (Oakland Primary Statistical Area - PMSA) median for these 4 income groups. The tables that follow were generated using this HCD/HUD data. The tables correlate household income level and the costs and size of housing available to each income group based on the 1990 area median of \$44,100 for a family of 4 in the Oakland PMSA, which includes all of the cities in Alameda and Contra Costa County.

**TABLE 20
HOUSEHOLD INCOME LEVELS - 1990**

<u>Income Group</u>	<u>% of Area Median</u>	<u>2 Person Household</u>	<u>4 Person Household</u>
Very Low	< 50%	< \$18,000	< \$22,000
Low	50-80%	\$18,000 - \$28,000	\$22,500 - \$35,300
Median	100%	\$35,300	\$44,100
Moderate	80-120%	\$28,250-\$42,350	\$35,300 - \$52,900
Above Moderate	> 120%	\$42,350	> \$52,900

**TABLE 21
LOWER INCOME LEVELS AND RENT LIMITS**

<u>Size of Apartment</u>	<u>Number of Persons</u>	<u>Max. Annual Gross Income</u>	<u>Maximum Monthly Rent</u>
1 Bedroom	2	\$28,250	\$706
2 Bedroom	3	\$31,750	\$794
3 Bedroom	4	\$35,300	\$883
4 Bedroom	5+	\$39,700	\$992

**TABLE 22
VERY LOW INCOME LEVELS AND RENT LIMITS**

<u>Size of Apartment</u>	<u>Number of Persons</u>	<u>Max. Annual Income</u>	<u>Maximum Monthly Rent</u>
Studio	1	\$15,750	\$393
1 Bedroom	2	\$18,000	\$450
2 Bedroom	3	\$20,250	\$506
3 Bedroom	4	\$22,500	\$562

Rent Formula: All data above is the monthly equivalent of 30% of the maximum annual income per income group determined by HUD.

The ABAG table setting goals for percentage of housing by income category indicates that a majority of Livermore residents have a relatively high income compared to the Oakland-PMSA. The City also is fortunate to have a largely affordable rental housing market.

The 1990 Census indicates that the **median rent** in Livermore in 1990 was **\$680**. A recent rent survey by planning staff (1,074 units) showed the following median rents for the high end of the rental market: (a) 1 Bedroom - \$700; (b) 2 Bedroom - \$805; (c) 3 Bedroom - \$881

The survey by staff was biased toward a worst case scenario because the apartment complexes in the sample included mostly new well maintained developments. Thus, the median rent structure City-wide is lower than those in the survey. The 1990 Census median rent of \$680 and staff survey indicate that market rate **median priced** rental units in Livermore are affordable to **more than seventy three percent** of the households in the City (those in the moderate and above moderate income categories). Stated another way, Very Low income households (14% of the City's residents), and slightly below half of those in the Low Income category (this category includes 13% of the City's residents), could not afford the 1990 median rent of \$680. Only a portion of the very lowest income households could not afford the lowest priced market rate rental unit. It is this latter income group that requires the most governmental assistance in order to meet their housing needs (see Chapter 9 for policies/programs addressing these needs).

Several figures have been produced to help illustrate the rent structure and availability of housing units to various income groups in the City. Figure 8, Rental Housing Costs, illustrates the raw Census data on the number of units renting in each income category listed. For example, in 1990, 568 units were renting within the City for between \$500 and \$549 a month, according to the Census.

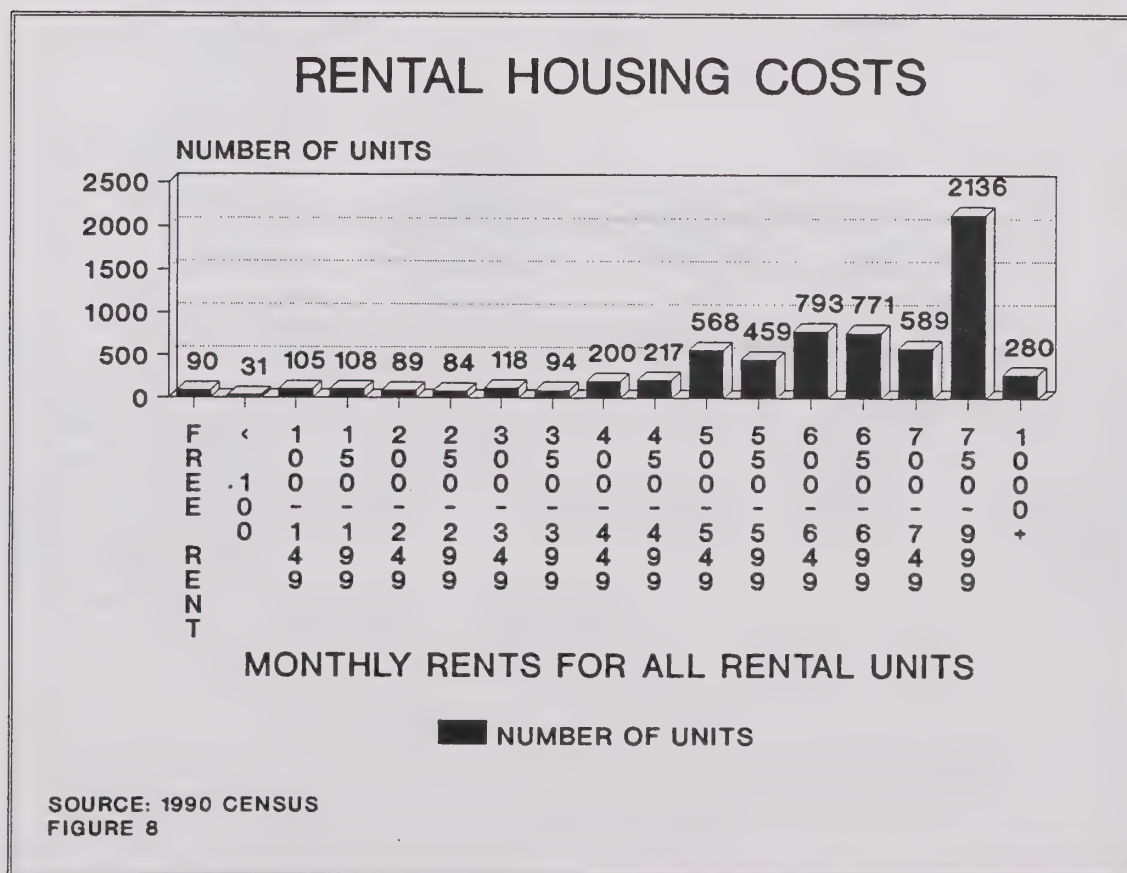


Figure 9, Livermore Housing Distribution, illustrates the total number of units available (rental and ownership) within each income category as compared to the existing income distribution of local residents and ABAG's goals for income distribution within the community. The rental information is based upon 1990 Census data for actual reported rents for all units within Livermore. The ownership information is based on 1990 Census data for the value of ownership units. Those values were then used to determine the affordability of those units. This somewhat understates the affordability of the existing ownership units because it illustrates the number of households that could afford to buy at 1990 prices, not the prices in effect when the unit was purchased. Therefore a number of the ownership units that appear in the above moderate category are probably being occupied by moderate income households that purchased the units when they were more affordable.

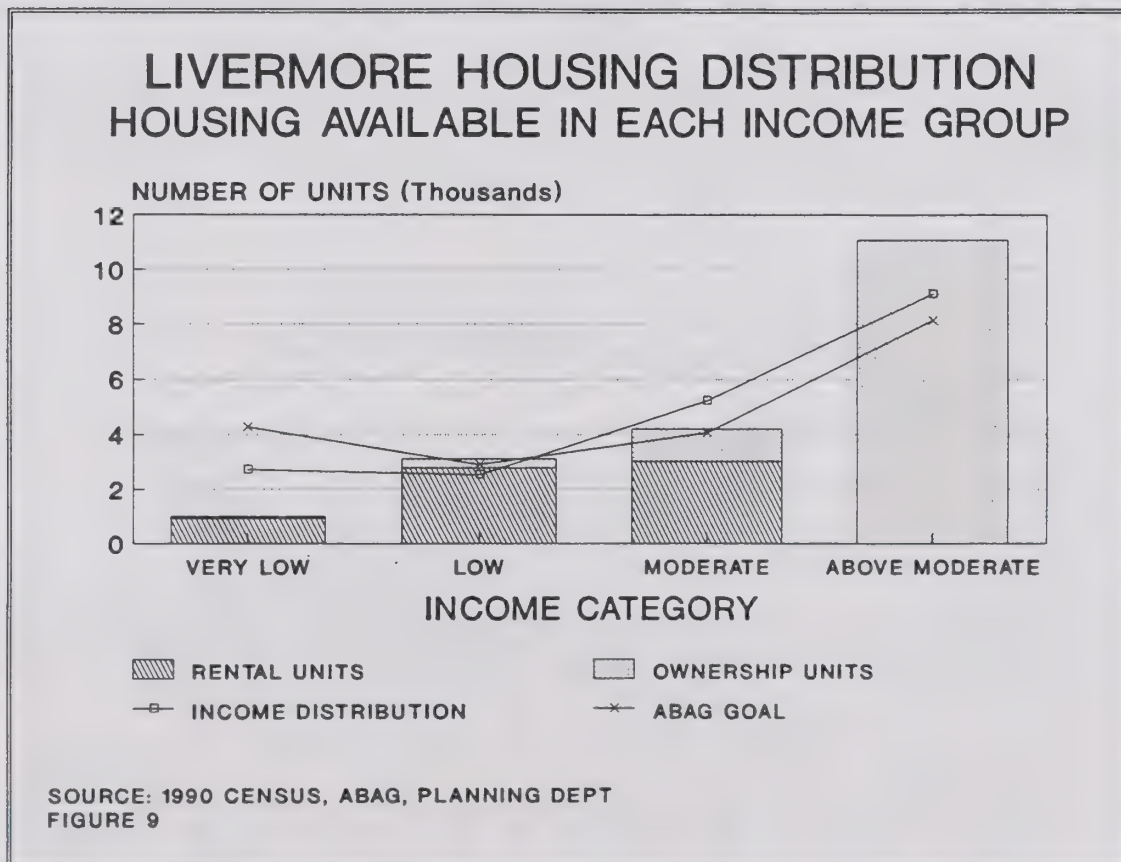
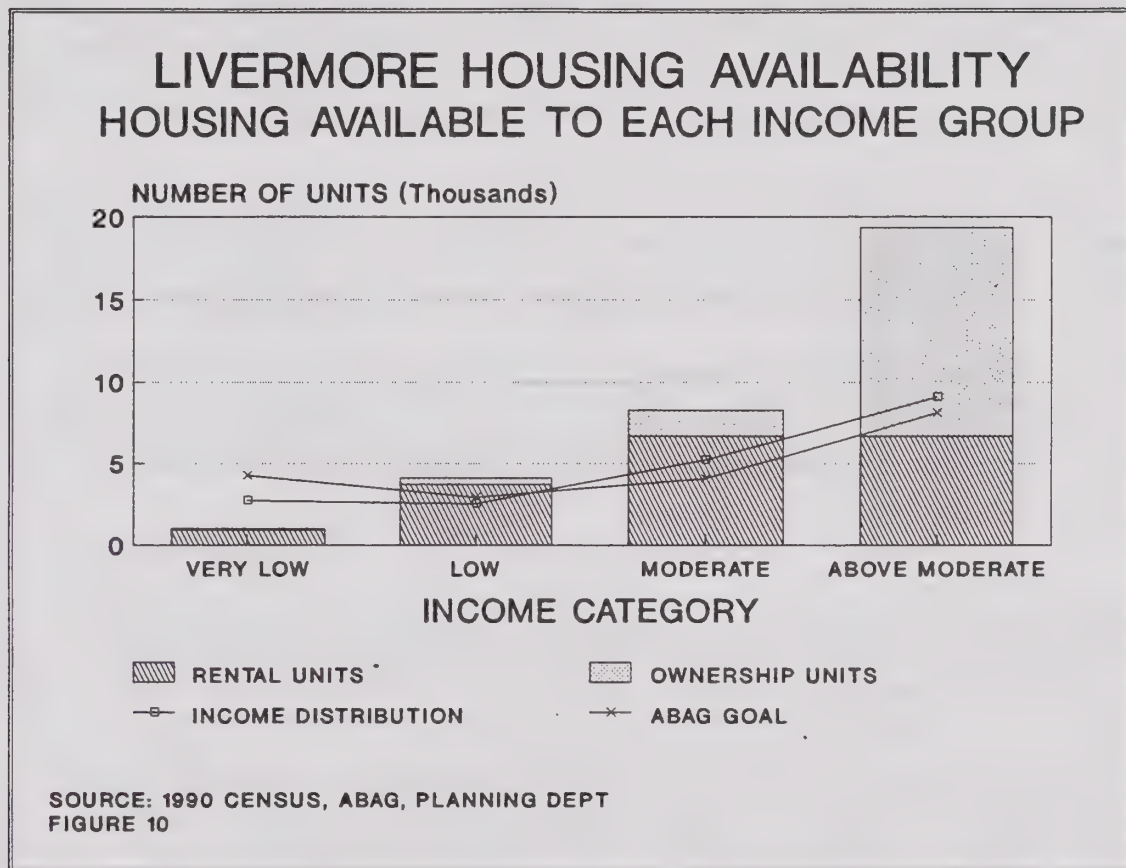


Figure 10, Livermore Housing Availability, uses the same data to illustrate the concept that each income group can afford not only the units within its income category, but also all of the units within all of the categories less expensive than their own.



Figures 8, 9 and 10 illustrate that the housing needs of low, moderate, and above moderate income households are being met fairly to very well. However, the needs of very low income households are not being met when compared to either the existing income distribution within the City or to ABAG's goals for the City. This data is consistent with Table 17 (in the Housing Element) which shows that Livermore has been able to produce adequate numbers of units affordable to low and moderate income persons and more than adequate supplies of above moderate housing, while not providing enough housing for very low income households.

V. HOUSING PRODUCTION OPPORTUNITIES

The first part of this Chapter inventories the supply of land available for the production of housing in the City of Livermore and its planning area. The second section discusses housing opportunities, followed by a discussion of constraints in Chapter 6.

As required by State planning law (section 65583{3}), cities are required to complete:

"an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites."

In addition to this requirement, each city must demonstrate that the number of potential housing units meets the housing need determination provided by the Association of Bay Area Governments (ABAG). The ABAG Housing Needs Determination report for 1989 projects a total need of 2,539 units for the City of Livermore between 1988 and 1995.

A. INVENTORY OF SITES

The following tables and map demonstrate that the City has completed the inventory, and can meet the ABAG requirement based on allowed densities of the General Plan and the underlying zoning districts. Tables 23, 24 and the accompanying map show all the areas within the city boundaries which are available for residential development.

Table 24 shows undeveloped residential land by General Plan designation, with a total number of potential units of 2,701 (see map for locations). Table 23 shows a similar inventory by zoning district for a total of 2,727 units. In either case, the number of potential housing units on undeveloped land exceeds the ABAG requirement of 2,539 units.

On Table 25, and also shown on the map, are areas outside of the city limits which have a residential General Plan designation. Planning staff anticipate that some of these areas may become incorporated into the City within the 1990-1995 period, and will be available for residential development. The inclusion of these areas is justified as they have the potential for residential development even though current zoning may require amendments.

The 921 acres shown on Table 25 can potentially add an additional 1,633 housing units to the City of Livermore through annexations if developed at the current allowed densities. Current densities for these areas outside City limits range from Rural (1-5 acre sites) to Urban Low Medium (3 du/ac). Changes in these allowed densities can potentially result in many more housing units.

Combining Tables 23 (zoning district) and 24 (General Plan) with Table 25 demonstrates that the acreage available for residential development in the City of Livermore Planning Area totals 1,472 acres. This acreage can potentially add +\~ 4,300 housing units to the City, if developed at current densities. (See Figure 11.)

The State requirement to show the relationship of public services to available land is fulfilled by Table 26. Table 26 shows that service is feasible to all of the land available for residential development within 0-5 years (see Figure 11), in and outside of the current City boundaries. The proximity to existing infrastructure facilitates the extension of services to these areas.

Not shown on Figure 11 or considered in the Tables is the area which is now in the North Livermore General Plan Amendment Study Area. The current General Plan designation for this area includes 100 acres of Urban Low Medium (3 du/ac) and 400 acres of Urban Low 1 (1.5 du/ac). Portions of this area will likely become incorporated into the City by 1995, but the existing densities and land use patterns are subject to change, and services are not feasible within the current 1990-1995 Housing Element five year period.

The North Livermore General Plan Amendment will, when completed, substantially increase the acreage available for residential development in Livermore (1600 - 4500 acres) and add a potential range of 7,500 - 15,000 additional units to the Livermore area over the next 20+ years. At this point the Plan examines, in equal detail, the amount, mix and pattern of development under four different population alternatives of 10,000, 20,000, 30,000 and 45,000 people. One alternative will be selected in 1992. Development in this area is likely to begin after 1995, and if growth continues at the current 2.5% growth rate, this area may potentially produce most of the City's residential development over the next 20 years.

B. SITES FOR THE DEVELOPMENT OF MOBILE HOMES/MANUFACTURED HOUSING, MOBILE HOME PARKS AND EMERGENCY SHELTERS.

1. Mobile Homes/Manufactured Housing

As required by law, the City allows the placement of mobile homes/manufactured housing on single family lots, provided they meet all requirements of the applicable zoning district. While the City has approved some units, the influx has not been substantial. The City has not processed any requests for manufactured housing subdivisions.

2. Mobile Home Parks:

Mobile home parks provide an affordable alternative to housing, especially for senior citizens, as the investment only includes the up-front cost of buying the mobile homes and the rental of the pad. In addition, this type of housing provides an alternative lifestyle suitable for the smaller family (retired couples, divorced, etc.). The RG (suburban multiple residential) district allows mobile home parks with a Conditional Use Permit. Currently the City has 27.51 acres of vacant RG zoned land, with a potential of 385 units.

3. Emergency Shelters

Emergency shelters for 6 or fewer occupants are permitted by right in any residential district. Shelters are allowed by right in the RM (Multiple Family Residential) district. They are allowed in any zoning district subject to obtaining a Use Permit. There is no shortage of land for these types of facilities within the City of Livermore; public funding to help establish and operate shelters is the primary constraint.

TABLE 23
INVENTORY OF UNDEVELOPED RESIDENTIAL LAND WITHIN CITY BOUNDARIES
BY ZONING DISTRICT

	<u>Acres</u>	<u>Maximum Potential Units</u>
RS-1 - Residential	5.00	5
Average density - 1 du/ac		
RS-2 - Residential	99.67	199
Average density - 2 du/ac		
RS-3 - Residential	65.23	196
Average density - 3 du/ac		
RS-5 - Residential	61.88	309
Average density - 5 du/ac		
RG-14 - Suburban Multiple Residential	27.51	385
Average density - 14 du/ac		
R-R-5 - Rural Residential	5.00	1
PD - Planned Development		
* (By General Plan Density)		
@ 2 du/ac	72.36	145
@ 3 du/ac	88.0	264
@ 4.5 "	33.94	153
@ 6 "	28.40	170
@ 8-14 "	<u>64.32</u>	<u>900</u>
Total for PD	287.02	1,632
TOTAL	551.31	2,727

Note: Areas included in the inventory did not have development entitlements of any kind (HIP approval, tentative or final subdivision maps) as of April 1991.

TABLE 24
INVENTORY OF UNDEVELOPED RESIDENTIAL LAND WITHIN CITY BOUNDARIES
BY GENERAL PLAN DESIGNATION

	<u>Acres</u>	<u>Maximum Potential Units</u>
Rural		
1 to 5 acre site	10	10
Urban Low-2		
2 dwelling units per acre	172.03	344
Urban Low Medium		
3 Dwelling units per acre	153.23	460
Urban Medium		
4.5 dwelling units per acre	95.82	431
Urban Medium High		
6 dwelling units per acre	28.4	170
Urban High-2		
8-14 dwelling units per acre	91.83	1,286
TOTAL	551.31 Acres	2,701 Units

Note: Areas included in the inventory did not have development entitlements of any kind (HIP approval, tentative or final subdivision maps) as of April 1991.

TABLE 25
INVENTORY OF UNDEVELOPED RESIDENTIAL LAND CONTIGUOUS TO
CITY LIMITS WITH URBAN DESIGNATIONS

	<u>Acres</u>	<u>Maximum Potential Units</u>
Rural		
1 to 5 acre site	315	315
Urban Low-2		
2 dwelling units per acre	500	1000
Urban Low Medium		
3 Dwelling units per acre	106	318
TOTAL:	921 Acres	1633 Units

TABLE 26

LAND INVENTORY

Zoning/permitted housing type	Number Acres	Density range	Availability of services & facilities (e.g. infrastructure)	Dwelling unit capacity
Single Family	10 172.03 153.23 95.82	1 to 5 Acres 2 Units/Acre 3 Units/Acre 4.5 Units/Ac	Service feasible within 0-5 years	10 344 460 31
Multiple-family and rental	28.4 91.83	6 Units/Acre 8-14 Units/Ac	"	170 1,286
Mobilehomes, mfd housing, mobile-home parks	Mobile Homes/Mfd. Housing is allowed in any R district. Must meet zoning requirements. Mobile Home Parks allowed in RG 27.51 8-14 Units/Acre.		"	n/a 385
Emergency shelter or transitional housing	Allowed in any Zoning District with a Conditional Use Permit		"	n/a
Sites with residential re-development potential (within time frame of element)	2	14-18 Units	"	36
Currently non-residential	n/a			
Other	n/a			
TOTAL	*580.82	----	"	3,122

*27.51 Acres of Mobile Home Park could also be developed in multiple-family residential, and is counted twice. 385 Units within RG are also counted twice.

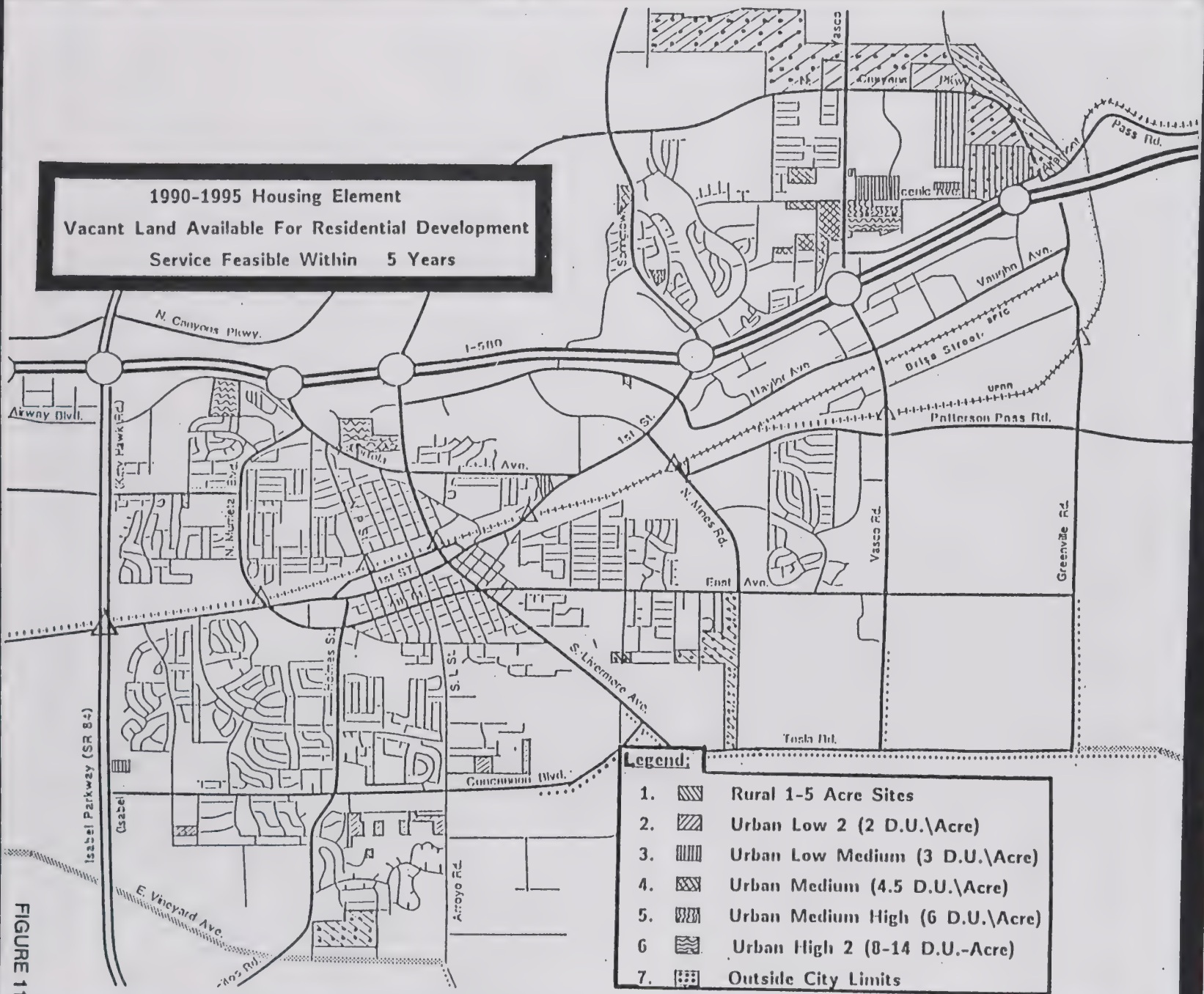


TABLE 27
INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT
ACCESSIBLE TO PUBLIC SERVICES INCLUDING STORM, SEWER, AND WATER

<u>Projected Available Residential Acreage</u>	<u>Service Existing at Property Boundary as of 1990.</u>	<u>Service Feasible Within 0-5 Years</u>
Vacant land designated Residential in the General Plan.	422 Ac.	1072 Ac.
Land not designated Residential but potentially suitable for residential (Commercial land in the Downtown ment Area)	2 Ac. (Urban High 3, 14-18 du/ac) Redevelop-	0

C. HOUSING OPPORTUNITIES

Housing supply and affordability are influenced by complex and interrelated national, state and regional economic conditions. The costs of land and construction are critical with respect to supply and affordability. These factors are in turn influenced by local land use policies and programs. This section discusses some key programs the City of Livermore has in place which help promote the supply and affordability of housing. A comprehensive discussion of all the potentially available programs and resources utilized by the City are discussed in Chapter 7. A discussion of government programs that may constrain housing opportunities is found in Chapter 6.

1. Housing Implementation Program

The Housing Implementation Program (HIP) implements the City's growth management program. The program provides the opportunity to target the production of low and moderate income housing, beyond that which the market might normally provide based on supply and demand or financial return. The program allows the development of "reserved" or "emphasized" categories for low and moderate income housing, which give projects that include affordable housing an advantage in competition for annual housing allocations. Categories targeting production of below market rental or ownership units maybe included in each HIP cycle, to respond to local needs and the City's fair share of regional housing needs determined by ABAG. For example, the 1991-1993 Three Year HIP reserved 20% of the available allocations for projects that included at least 20% low income units. In addition, units that are allocated but not constructed are not "lost," as they are available for reallocation (added to the total number of units that are normally available) the following year.

In sum, the HIP not only provides the opportunity to accommodate low and very-low housing needs, it can also provide significant incentives for the market to produce these lower income units. The HIP can strongly encourage developers to include lower cost units in their projects in order to improve their chances to receive allocations

and proceed with the project. Short of significant regulatory requirements, developers will not normally produce housing affordable to low and very-low income persons and families. New programs are proposed for the 1994-1996 HIP to redirect resources toward meeting the needs of very-low income households (see Chapter Nine for programs).

2. Planned Unit Developments / Flexible Zoning Districts

Planned Units Developments (PUD's) represent custom tailored zoning districts capable of allowing a variety of lot sizes, tenure and types of housing (zero lot line, couplets, common wall and detached housing; owner - rental) all within the same project. In addition, the City's most popular single family detached zoning district, the RS (Suburban Residential) District, permits development of attached units such as zero lot line and townhouse units on lots as small as 2,500 square feet. These districts can therefore increase land efficiencies and reduce development costs by allowing smaller units on smaller lots as part of a well planned and architecturally integrated project. The end product allows combinations of affordably priced housing that may not be possible using less flexible zoning districts and fixed development standards. The City makes extensive use of these zoning districts to encourage the production of diverse types of affordable housing to meet the needs of all income households.

3. Density Bonuses

The City follows state guidelines (Section 65915 of government code) in awarding density bonuses for projects that propose qualifying percentages of low or moderate income housing. The City also allows a bonus of 45% density for lower income senior housing projects. The Housing Element also includes a program to consider density bonuses higher than provided in state guidelines for developments which include very low income units. These programs are in addition to the incentives offered in the HIP mentioned above.

4. Inclusionary Zoning/In-Lieu Fees

City policies require that 10% of the units in a residential development be affordable to lower income households. As an alternative, the developer may pay a lower income housing fee as an alternative to the actual production of affordable units. This fee is then utilized by the City to assist in the development of lower income housing and related programs that assist residents to enter or remain in lower cost housing. This fund is the principle source of local generated funds used to promote affordable Housing.

5. Additional Land Efficiency Programs

In Chapter Six (B)(3) under Land Use, the Housing Element indicates that a majority of undeveloped land in Livermore is designated for development to occur at three or less units to the acre. This can potentially contribute to higher housing costs and land inefficiencies. While amendments to existing land use designations would be premature, two programs are being included in Chapter Nine (Goals, Policies and Programs) to mitigate low density designations which may act as a constraint to the production of affordable housing, these are: (1) consideration of higher density bonuses for very low income projects, and (2) a program to require that development occur within the density range designated in the General Plan.

VI. HOUSING PRODUCTION CONSTRAINTS

A. NONGOVERNMENTAL CONSTRAINTS

1. Availability of Land

Since the last Housing Element update was completed in 1985, significant changes have occurred in both land availability and the cost of raw land in Livermore.

During the period 1985-1990, growth management allocations were granted to projects encompassing 1,620 acres of residential land¹. A number of approvals granted between 1985-1990 were larger projects and development of those projects will extend over a number of years, with completion beyond 1990. On average, over the last five years, residential development has consumed 204 acres of raw residential land a year².

In 1988, the City amended its General Plan to increase the amount of residential land in the north-eastern area of the City (Area "A"). Excluding residential areas planned for one unit or less to the acre, the Area "A" amendment added 686 acres of residential land area. Overall, during the last five years supplies of undeveloped residential land have decreased substantially.

To address this important constraint, in 1988 the City began work on an amendment to the General Plan Land Use Element encompassing 15,000 acres of land immediately north of Livermore. At this point several alternative proposals are under consideration. Even though a substantial portion of that planning area is made up of several steep canyons and is unsuitable for intensive urban development, between 1,500 and 5,000 acres of relatively flat raw residential land will be added to the current inventory. This will supply up to 25 years of developable land assuming 200 acres of residential land is developed each year.

1. Land Cost

In 1984, raw land cost an average of \$15,000 a lot in Livermore³. After a steep increase in raw land values in the mid 1980's, prices leveled off at the end of the decade due to a slowing real estate market. At the upper end of the price spectrum, raw land with a General Plan designation of two units per acre is currently on the market for between \$30,000 to \$50,000 a unit⁴. A more representative indicator would be the price per unit for land with a General Plan designation of three units per acre which is currently valued at between \$20,000 and \$25,000 a unit⁵. At 8-14 units per acre the price per unit drops to \$8,000 to \$10,000 a unit⁶. As densities increase, the land

1 Residential Development Activity list updated March 20, 1991, by the City of Livermore Planning Department

2 Ibid.

3 Housing Element 1985-1990, City of Livermore General Plan, page 34.

4 Mason McDuffie Real Estate Brokers, listing of residential land sales.

5 Ibid.

6 Ibid.

cost per unit drops significantly. Overall, raw land costs constitute between 10% and 15% for the cost of a single family detached house in the Livermore area⁷.

2. Availability and Cost of Financing

The availability and cost of financing impacts the cost and availability of housing in two distinct ways. On the supply side, because of the large financial commitment of financial resources required to transform raw land into finished housing units, developers typically leverage their investments with acquisition and construction loans. These loans usually have relatively short durations. However, since they depend on the development and sale of a project to guarantee the expected cash flows necessary to repay the loan, they are more risky than a typical house mortgage that most consumers are familiar with.

During the late 1980's the Savings and Loan Industry, the Thrift Industry, and the Commercial Banking Industry, which supply the vast majority of construction financing for the Building Industry, all experienced significant problems caused by large scale defaults on previous loans. In response to both internal pressure and pressure applied by regulators, surviving financial institutions significantly tightened their lending criteria to lessen the risk of their overall portfolios. As a result, construction financing is very difficult to acquire at the present time. If this continues as the real estate market begins its recovery, it will result in a severe restriction on the supply of new housing.

The cost of acquisition and construction financing comprises approximately 10% of the cost of a median priced home in the Bay Area according to the Bay Area Council and a survey done by the Oakland Tribune⁸. For a median priced home in Livermore, this translates to \$20,221.

On the demand side of the equation, the cost and availability of financing is the second most important determinant (next to the cost and availability of the house itself) of whether a person will be able to purchase a home. After rising to all time highs in the early 1980's, mortgage rates decreased to less than 10% for a fixed rate 30 year mortgage. Although this development improved affordability by lowering monthly payments, large numbers of potential buyers are still unable to afford a home because the cost of housing has increased significantly faster than median incomes. In addition, many families entering the housing market are unable to make the required down payment to purchase a home. Overall, during the last five years, the cost of financing has decreased and the financing component of the cost of housing has decreased.

3. Construction and Marketing Costs

In 1984, construction costs comprised approximately 40% of the sale price of a median priced home⁹. By 1989, the percentage had increased to 45% of the total cost of a home¹⁰. This increase is due mainly to increased labor costs driven at least in part

7 "Taxing the American Dream", published by the Bay Area Council, San Francisco CA, May 1988, and Planning Department staff estimates based on raw land prices and unit sales prices for projects within Livermore.

8 "Taxing the American Dream", Published by the Bay Area Council, May 1988, and "Skyrocketing Prices Don't Deter Demand", Second in a Series on the Eastbay's Housing Crunch, Published by The Oakland Tribune, May 1, 1989.

9 Bank of America, Cost Study - Subdivision Land Development, January 1984.

10 Supra.

by the high cost of living in the Bay Area. Another contributing factor is that with the increasing cost of homes, consumers expect higher quality fixtures and features and these are being incorporated into new homes. Sales and marketing costs have remained relatively constant over the last five years and account for 5% of the total cost of each home.

4. Consumer Expectations

Consumer expectations are another significant constraint on the development of affordable housing. Currently, (April 1991) small new homes are for sale in Livermore for less than \$100,000. New two bedroom homes were available for as little as \$127,000 in December 1990¹¹. However, sales of these units have not been particularly strong because the units are condominiums. The strong preference of consumers is for single family detached units, rather than for more affordable attached units. Unfortunately, consumers are willing to drive very long distances to buy a more affordable detached unit, rather than buy an affordable attached unit locally. For this reason there is no strong constituency (either within the development community or within local citizen groups) to encourage more affordable, higher density, attached homes.

5. Availability of Infrastructure and Services

The availability of infrastructure is both a localized problem as well as a community-wide constraint. In various developing areas of the City, improvements to and extensions of existing infrastructure are necessary prior to development. In certain locations this can limit the development potential of certain properties in the short term. Smaller projects in particular have problems providing all of the necessary improvements in areas that are not adjacent to existing development. In order to efficiently provide urban services, the City's General Plan encourages compact development adjacent to existing services. Based upon this policy, the City does not encourage sprawling development that is not contiguous to existing urban development. Therefore, this constraint actually encourages logical, orderly extensions of urban services and reinforces existing City policy. The City does not propose to change this policy or encourage "leap-frog" development in the future.

More important to the overall housing supply is the City's ability to work with the development community to provide infrastructure and services for the overall community. These would include among others, the provision of water and sewer services, and traffic circulation capacity. The City has created financing programs to help construct facilities necessary to support development City-wide. In addition, the City's Growth Management system is designed to moderate the pace of development to ensure that overall infrastructure system capacities are not exceeded.

B. GOVERNMENTAL CONSTRAINTS

1. Growth Management Program

The City manages its residential growth by using a variety of implementation tools. The most notable of these tools is the Housing Implementation Program or HIP. The HIP controls the pace of residential growth within the City. This has the effect of slowing

11 One bedroom, 630 square foot condominiums on sale for \$99,950 to \$104,950 at The Villas by McBail Homes. Two bedroom, 830 square foot units completed sales in December 1990 for \$126,450-\$127,450 at The Villas by McBail Homes.

the pace of residential development within the City. According to the General Plan, the annual growth rate within any three year period can be set between 1.5% and 3.5%. For the 1988-1990 Program the growth rate was set at 3.5%, and for the 1991-1993 Program the growth rate is 2.5% annually, or roughly 550 units a year. Since growth management was instituted in 1978, applications have consistently outnumbered allocations, and recently there have been between two and three times as many applications as available allocations. However, it is much more difficult to estimate the number of units that would actually be produced if the City did not have a growth management program. Overall, the system almost certainly reduces the amount of housing that is produced within the City, at least slightly.

However, the HIP is a particularly flexible tool, allowing the City wide latitude in determining yearly allocations once the growth rate has been set. The program permits units to be borrowed from or transferred to future years depending on the opportunities or constraints within any one year of a three year program. All of the units within a three year program may be allocated in any one year. In addition, units may be borrowed from the next three year program up to a maximum growth rate of 1.5% per future year. Finally, all unallocated units, or expired allocations return to the program for allocation in latter years. This flexibility allows the City to, among other goals, react to changing market or economic conditions with more precision, and to minimize the overall impact of limiting the growth rate by matching allocations more closely with demand on a year to year basis.

Since the growth management system tends to increase the uncertainty associated with the development process, it affects the value of developable land, the return on investment for developers, and the cost of housing. In some cases it also extends the amount of time required to develop a project. The typical processing time for the competitive process during the last five years has been approximately 90-100 days. Some of this time is recovered do to a reduction of processing time of the subsequent tentative map, since major substantive issues are decided during the growth management approval process. Although most projects are successful during their first competition, projects that do not effectively meet the City's housing needs have to compete again. This may add substantially to the overall processing time for those particular projects. The degree to which landowners, developers and consumers absorb the cost of the growth management system varies over time and depends on several factors including the degree to which the growth management system actually constrains the amount of housing developed subregionally, the cost of existing homes in Livermore, the cost of new and existing homes in nearby communities (substitutes), and the ability and willingness of consumers to buy at various prices. Each of those factors is, in turn, affected by various economic conditions, including interest rates, the creation of new jobs in the region, and the overall health of the regional and national economies.

Recent studies of Livermore and other Cities by John Landis of the University of California¹² have shown that growth management programs do little if anything to raise the cost of housing within a community or a region. In addition, cities with growth management programs generally provide slightly more affordable housing than their non-growth management counterparts. Generally, the shortfall of units created by growth management programs is not significant to the subregion. Other factors such as the

12 "What are the Actual Effects of Local Growth Controls in California? - Case Study" by John Landis, Assistant Professor, Department of City and Regional Planning, University of California, Berkeley. Additional data presented at Evaluating Local and State Growth Management Programs: What Can We Learn From Experience? a conference presented by the Lincoln Institute and the UCLA Extension in Oakland on April 19, 1991.

cumulative impacts of reducing the development potential of particular sites during the development review or general plan amendment processes throughout the region have a much more significant impact on the regional production of housing.

2. Processing / Permit Procedures

Developing a residential project in Livermore requires successful acquisition of a number of permits in order to proceed. For a single family subdivision these include: a HIP allocation, a tentative subdivision map, a final subdivision map, and building permits. Depending on the size and complexity of the project, processing of these permits takes between 12 and 24 months from HIP application to issuance of a building permit. For a multi-family project the required permits include a HIP allocation, a site plan approval and building permits. Processing of the required permits normally takes between 9 and 12 months. The main impact of the permit process is the time required to receive approvals. While the amount of time required to process an approval in Livermore is not excessive when compared to other Bay Area jurisdictions, the processing of a subdivision could take place more quickly. The City is continuing to work to improve processing time of subdivisions through the adoption of additional standards and specifications, and utility master plans.

3. Land Use and Zoning

The vast majority of undeveloped land in Livermore is planned for three units or less to the acre. While this density does not prevent development, it is an important determinant of finished housing cost. As illustrated above in the section on land costs, the cost per unit increases dramatically as the density drops. The cost for utility extensions and infrastructure cost would vary similarly. Typically, increasing densities, even at locations that have good access, accessible utilities and shopping facilities, nearby is very difficult due to significant neighborhood opposition. However, recently the City was successful in changing the General Plan designation on a small property from Low Intensity Industrial to Urban High-2 (8-14 units per acre). Increasing densities decrease the per unit cost of housing production. The City may pursue this strategy where appropriate.

The City has a total of twenty-eight residential zoning districts in addition to extensive use of the Planned Development district. Some of these districts have extensive development restrictions designed to protect the rural character of the area, while most districts have very minimal setback or floor area ratio requirements, or permit attached units within the district.

As the City utilizes such a large number of zoning districts with such varied requirements, (in addition to the Planned Development district), the City is able to provide for a substantial amount of flexibility in applying its development regulations throughout the City. This flexibility provides ample ability to develop affordable housing under many of Livermore's Zoning districts.

Examples of various parking requirements include one space per unit for secondary dwelling units, 1.25 spaces per unit for senior citizen housing, 1.75 spaces per unit for most multi-family zoning districts, two stalls per unit for most single family zoning districts, 2.25 stalls per unit for town homes and condominiums, and six spaces per unit for rural residential units.

Examples of maximum floor area ratios (FAR) and coverage requirements used in Livermore include 25% coverage in the Rural Residential (RR) zoning districts, 28% FAR in the

Suburban Residential (RS) districts for detached units, 40% coverage for town homes in the RS districts, 40% coverage for detached homes in the Low Density Residential (RL) districts, 50% coverage in the Medium Density Residential (RM) district, and 55% coverage in the High Density Residential (RH) district.

Examples of minimum setbacks for the RR district include 30 feet in front, a total of 45 feet on the sides, and 50 feet for the rear yard. Typical RS district setbacks are 20 feet in front, a total of 24 feet on the sides and 30 feet for the rear yard. Typical setbacks for townhomes are 20 feet in front, 30 feet in the rear, and zero on the sides. For multiple family districts, setbacks range from 5 feet to 15 feet for non-street frontage yards, to up to 20 feet for street frontage yards.

Examples of minimum lot sizes for single family homes range from 2,500 square feet for attached units in the RS district, to 5,000 square feet for detached units in the RL district, to 6,000 square feet for detached units in the RS district, to 210,000 square feet for detached units in the RR-5 district. For multi-family units required site area includes a range of 1,400 to 2,400 square feet per unit in the RM district, 1,250 to 2,500 square feet per unit in the RH district, and 2,100 to 4,500 square feet per unit in the Suburban Multiple Residential (RG) district

The above mentioned standards illustrate the wide variety of land use controls that might apply to a specific property within Livermore. Obviously, zones that require 210,000 square feet per unit support development of housing for above moderate income residents. Conversely, zones that require 1,400 square feet per unit would generally (although not exclusively) support development of units affordable to low or very-low income residents.

In general, parking requirements are designed to be minimally adequate. Based on continuing review of recently completed projects, the standards cannot be reduced without creating significant parking conflicts both within and around new neighborhoods and projects.

Attached single family uses are permitted by right (without a Conditional Use Permit) in the suburban Residential (RS) district, the Medium Density Residential (RM) district, High Density Residential (RH) district, and the Suburban Multiple Residential (RG) district. Multifamily rental uses are permitted in the Medium Density Residential (RM) district, the High Density Residential (RH) district, and the Suburban Multiple Residential (RG) district. These districts make up the vast majority of all residential districts within the City. In fact, these are the only districts (except for Planned Developments) that the City currently uses for new developments. These districts provide adequate sites for these types of uses throughout the City.

Taken individually, certain of the above mentioned standards might appear to create a constraint on the production of affordable housing. However, taken as an overall package the standards provide opportunities to provide housing for residents from all economic groups within in the City. In addition, through the use of a Planned Unit Development, development standards may be modified in order to further facilitate development of affordable housing, if no significant impact to either the residents of the surrounding neighborhood or the project would result. Requests for Planned Unit Development permits are evaluated on a case-by-case basis so that the development regulations may be custom designed for each project and site.

Therefore, Livermore's land use regulations do not create a constraint to the production of housing within the City for all income levels.

4. Codes and Enforcement

Building codes and enforcement activities have several impacts on the availability of housing. In some cases, the strict enforcement of the building code requires improvements to units to keep them from becoming uninhabitable. This preserves units that would have otherwise been removed from the housing stock. Another response to an enforcement action would be to remove a unit from the housing stock by demolishing the unit. While appearing to remove units from the housing stock, this process does not actually remove units that are habitable from the housing stock. It might, however, increase the cost of the housing by requiring improvements to a property the cost of which are passed along to the occupant. This occurs either directly because the owner is the occupant or indirectly through rent increases if the occupant is a renter. Examples of these requirements include the mandatory provision of fire sprinkler in residences or enhanced construction techniques so that homes will survive earthquakes.

The only local housing code adopted by Livermore is the requirement that all residential units have fire sprinklers. While this adds a marginal cost to each unit, costs are offset by the relaxation of restrictions on the length of cul-de-sacs and the increased distances allowed between fire hydrants. In general, the enforcement program is not proactive, but responds to complaints. Overall, local code and enforcement programs are not a constraint to the production or conservation of housing.

5. Fees and Exactions

Fees in 1981 for the City of Livermore for a 1,434 sq. ft. home totaled \$8,143¹³. In 1989, fees for a slightly larger but comparable 1,570 square foot home totaled \$13,666¹⁴. Although Livermore's development fees are above average for Alameda County, according to a survey of fees by the Bay Area Council, between 1981 and 1987 Livermore increased its fees substantially less than the vast majority of other cities in the Bay Area¹⁵ and only slightly faster than the overall rate of inflation. Based on a median price for new housing of \$205,060¹⁶ in 1989 fees constituted approximately 6.6% of the total cost of a house. Currently, the City charges fees to fund a wide variety of infrastructure and improvement programs including a Traffic Impact Fee (TIF), to fund improvements to major streets and freeway interchanges with the City, sewer and storm drainage fees, a water storage fee, and an in lieu park fee. In addition, the City collects fees for a number of other agencies including the County storm drainage fee, and a County water connection fee.

6. Development Requirements

Development regulations add to the cost of providing housing as well. Those include the substantial public and private improvements that are required as a part of any residential development. Examples of these include streets, and sidewalks, storm and sanitary sewer systems, water lines, natural gas lines, and electronic utilities including phone, cable, and electricity. These costs tend to increase on a per unit basis as densities decrease. Typical street widths for Livermore are as follows: Major streets 84 feet (four travel lanes, 16 foot median, two bike/emergency lanes); Collector streets 52 feet

13 "Taxing the American Dream", Bay Area Council

14 Alameda County 1990-1995 Housing Element.

15 "Taxing the American Dream", Bay Area Council

16 1989 Housing Purchase Price Data for Alameda County, Spear Street Advisors, Inc.

(two travel lanes, two bike lanes, two parking lanes); Local streets 40 feet (two travel lanes and two parking lanes). These widths are necessary to safely move through vehicle and bike traffic. However, for neighborhood traffic on cul-de-sacs it may be possible to decrease the the width of traffic lanes from 12 to 10 feet, reducing the overall street width from 40 to 36 feet. This would result in lower construction costs for subdivisions since a significant portion of subdivision lots are located on cul-de-sacs. A policy and work program have been added to Chapter Nine, Goal 2, to eliminate unneeded infrastructure requirements.

Other regulations also indirectly add to the cost of housing by encouraging higher quality, attractive new housing. While better design does not necessarily cost more money, higher design standards such as those advocated by the City's Design Guidelines and the HIP many times add to the cost of providing housing.

The HIP uses a subjective evaluation procedure based on specific criteria that are adopted for each three year period. Examples of criteria include architecture, landscape architecture, site design, energy efficiency and parks and open space. No specific styles, colors and materials are advocated by either the HIP or the City's Design Guidelines. The HIP evaluates how well projects respond to the Goals and Policies of the General Plan: it does not define those policies. Therefore, the HIP does not create any constraints on the production of housing related to design standards.

The City's Design Guidelines include statements that discourage repetitive or garish architectural and landscape designs, encourage projects to use a variety of materials and colors within a harmonious overall design program, encourage drought tolerant plant material, and encourage projects that use elements of site design, landscape design, and architectural design to create pleasing pedestrian-scale and pedestrian-oriented designs. The Design Guidelines are flexible and permit all housing within the community to be attractive and compatible with its surroundings. The Guidelines are not constraints on the production of affordable housing. The Guidelines help mitigate the visual impacts of new development including affordable housing projects on the surrounding neighborhoods. This permits production of affordable projects to continue with more community support and less neighborhood opposition. This is one reason for Livermore's success in providing a variety of affordable projects over the last ten years.

Setbacks, floor area ratios, open space requirements, and parking requirements all tend to decrease the amount of area that can be used for the house itself. This, in turn, increases the land cost component of providing housing, as lot sizes must be increased to accommodate a given size home.

These above mentioned requirements all add to the cost of housing. However, these regulations were all enacted to improve or protect the quality of life within the City. Without appropriate regulations in these areas substantial degradation of the residential environment would occur as further development was approved. However, the City should consistently review its development regulations to ensure that they are effectively and efficiently implementing the policies of the City and that they are still fulfilling their intended purpose. Modifications of standards and regulations should be initiated in those areas where reductions of standards could be accomplished without degradation.

VII. PRESERVATION OF ASSISTED HOUSING

A. INVENTORY OF UNITS AT RISK OF LOSING USE RESTRICTIONS

Section 65583(a)(8) of the Government Code requires an analysis of existing assisted rental housing developments that are eligible to change to non-low-income units during the next 10 year period due to termination of use restrictions. The required analysis includes the project name and location, earliest possible date of conversion to non-low-income use and the total number of elderly and non-elderly units which could be lost from the local low income housing stock. The analysis shall also include an estimate of the total cost of producing new replacement housing units and an estimated cost of preserving the assisted housing developments.

As of 1991, there are 12 privately-owned apartment complexes which provide a total of 462 units for low income tenants, with 162 units specifically for elderly low-income tenants (Table 28). The low-income units are provided through various assistance programs such as local revenue bonds, rental agreements with the City, FHA Section 236 subsidized mortgages, and Section 8 rental subsidy programs. In addition to these units, the Livermore Housing Authority owns and manages the Leahy Square complex which provides 125 rental units to low-income families.

By the year 2000, the use restrictions on 103 units will expire (Table 29) and thereby potentially converting to market rate rentals. Of these units, no low-income units are at risk of conversion by the year 1995; 103 low-income units, including 20 elderly units, are at risk of conversion by the year 2000.

Of these units, 24 are provided through contracts with the City. FHA Section 236 provides 19 low income units, and Section 8 agreements provide 95 low income units and 20 elderly units.

The City of Livermore provides a density bonus to rental housing projects under the provisions of Government Code Section 65915 when the proposed development includes low or very low income rental units. The continued availability of the rental units is governed by a rental agreement between the City and the developer of the project. The rental agreements specify the number of units, the maximum rent allowable consistent with HCD/HUD rent limits for lower income households, and the period the agreement shall be in effect (usually 12 to 15 years). The apartment managers provide information to the City on an annual basis regarding the rents, household income of the renters, the number of units and the type of unit (number of bedrooms).

The City has rental agreements with the Chardonnay Garden Apartments (15 units) and the Chateau Apartments (9 units). These agreements will terminate in 1999 and 2000, respectively. No other governmental assistance is provided to these projects.

Livermore Gardens has a Section 236(j)(1) FHA-insured and subsidized mortgage due to expire in 1996. The owners have the option of pre-paying the loan at that time and the use restrictions would be lifted. Should the owner decide not to pre-pay the loan, he has the option of staying in the Section 236 program for an additional 20 years.

TABLE 28
SUMMARY OF EXISTING LOW-INCOME RENTAL PROJECTS

Project Name	Total # Of Units	Low Income	Senior	Date Of Completion	Assistance Type	Exp. Year
THE ARBORS 3550 Pacific Ave.	165	41	0	1985	Rev.Bond	2011
AUTUMN SPRINGS 1700 Paseo Laguna Seco	200	50	0	1987	Rev.Bond	1998
CHARDONNAY GARDEN 2991 College Ave.	76	15	0	1989	Rent.Agree.	1999
CHATEAU APTS. 1446 Chateau Commons	80	9	0	1988	Rent.Agree.	2000
DIABLO VISTA APTS. 1550 Springtown	135	34	0	1983	Rev.Bond	2010
HERITAGE PARK 1089 Bluebell Dr.	167	67	67	1988	Rev.Bond	2006
HILLCREST GARDENS 550 Hillcrest	54	54	20	Prior to 1980	Section 8	1996
LEAHY SQUARE 3203 Leahy Way	125	125	0	Prior to 1980	Public Housing	
LIVERMORE GARDENS 5720 East Ave.	96	19 40	0 0	Prior to 1980	Section 236 Section 8	1996 1996
MEADOWBROOK APTS. 156 Murrieta	125	47	0	1981	Section 8	2002
PORTOLA MEADOWS 1160 Portola Meadows Rd.	176	36	0	1990	Rev.Bond	2008
PORTOLA PARK 868 N. Livermore	96	10	0	1990	Rent.Agree.	2001
VINEYARD VILLAGE 3700 Pacific Ave.	75	75	75	1982	Section 8	2002
TOTAL		622	162			

TABLE 29
SUMMARY OF EXISTING LOW-INCOME UNITS
AT RISK FOR CONVERSION BY YEAR 2000

Project Name	Total # Of Units	Low Income	Senior	Date Of Completion	Assistance Type	Exp. Year
CHARDONNAY GARDEN 2991 College Ave.	76	15	0	1989	Rent.Agree.	1999
CHATEAU APTS. 1446 Chateau Commons	80	9	0	1988	Rent.Agree.	2000
HILLCREST GARDENS 550 Hillcrest	54	54	20	Prior to 1980	Section 8	1996
LIVERMORE GARDENS 5720 East Ave.	96	19 40	0 0	Prior to 1980	Section 236 Section 8	1996 1996
AUTUMN SPRINGS 1700 Paeo Laguna Seco	200	50	0	1987	Rev. Bonds	1998
TOTAL		187	20			
BY YEAR 1995		0	0			
BY YEAR 2000		187	20			

The Section 8 contracts for Livermore Gardens and Hillcrest Gardens would have expired in August of 1991. HUD has extended the Section 8 contracts for both projects for five years. The Livermore Housing Authority has been working with HUD and the property owners to secure the extensions. The owners of Hillcrest Gardens and Livermore Gardens have accepted the extension to 1996.

B. COST OF REPLACEMENT/PRESERVATION.

1. Replacement

Given the cost of land in Livermore, the size of the projected units (2 to 3 bedrooms), financing, other improvement costs and the expectation of a high quality product, it is reasonable to assume that new construction costs would run at about \$100,000 per unit.

Assuming a 5% per year inflation rate and replacement within the next two years (mid-point of the first 5-year period), the replacement cost for the 40 assisted units being converted to market rate within the next five years would be about \$4.4 million. The replacement costs for the 63 assisted units being converted during the second 5-year period would be approximately \$8.9 million (assuming a 5% per year inflation rate and replacement during the mid-point of the second 5-year period). These figures also assume that replacement units would be constructed in large apartment complexes. The cost per unit could increase or decrease depending upon the size and location of the

development, availability of services and other required/desired improvements (e.g. landscaping).

2. Preservation of Existing Units

There are two options for preserving existing assisted rental units: Purchase of the existing rental units or continuation of rental subsidies.

It is reasonable to assume that the purchase of an existing development would cost somewhat less than the construction of new units due to depreciation factors. However, the purchase of existing rental units is dependent upon the owners' willingness to sell. In many instances, assisted units are provided along with market rate units in an apartment complex. The owners will generally convert the assisted units to market rate units whenever possible.

Hillcrest Gardens and Livermore Gardens have been granted a five year extension to its Section 8 agreement by HUD. However, this merely delays the potential conversion of these units to the second half of the ten-year period.

Another option for preserving existing assisted rental units is to continue the rental subsidies. Low income rent maximums set by HUD are at or near the City's median rent; however, very low income rent maximums are about \$300 less per month than the City's median rent. To fully subsidize the very low income rents would run \$3,600 per unit per year plus any annuity for the property owner. Continuation of rental subsidies for existing rental units would require agreements with the property owners to maintain a certain number of units at a specified rent for a specified period of time.

In the long-term, it would probably be more cost effective to purchase existing units, if possible, using available funding rather than subsidizing rents. The use of any local, state or federal funds to acquire existing projects will restrict the rents longer than agreements for rent subsidies. Once the rent restrictions on privately owned complexes are lifted, there is little incentive for the property owners to continue subsidized units when they can be converted to market rate units. Also, any possible agreements for continuing rent subsidies would probably be for limited time periods.

The Housing Element (Chapter 9) includes a program to extend the term of future rental agreements to 30 years consistent with State requirements. Rental agreements will also include a "buy out" option (i.e. rent subsidies funded by the City) which would extend the agreement for an additional 30 years and will provide the City a first right of refusal on the purchase of the projects.

C. RESOURCES

The City has identified a number of potential funding sources for the preservation of at-risk rental units. However, the dollar amounts available are limited and the City is attempting to maximize the effectiveness of these funds in providing lower cost housing. In order to accomplish this, the City is proposing to consolidate the City's housing strategies and programs under a single position to facilitate the development of lower income housing projects. This position would also be responsible for ensuring the effective utilization of the combined resources of the City's agencies, joint public and private housing ventures and new funding opportunities as they occur.

The following list identifies other potential funding sources for the preservation and/or replacement of existing lower income rental units.

1. Low Income Housing In-Lieu Fees

The City land use policies require that developers of new housing set aside 10% of their units for low-income households (as defined by State law). A developer may opt out of this requirement by paying an "in lieu" affordable housing fee. Since the fee was instituted, the City has collected nearly \$3 million. Because the fee is collected specifically as a substitute for the development of affordable housing, the City must use the funds to create or preserve housing for low income persons.

The City's Redevelopment Agency committed \$600,000 in low income housing set-aside funds, and the City committed \$900,000 in-lieu fees toward the development of a 70-unit apartment complex for low and very low income households. This complex will be constructed by Eden Housing also utilizing Rental Housing Construction Program (RCHP) funds through the Department of Housing and Community Development. Approximately \$700,000 has also been committed to the implementation of a deferred second mortgage program to assist first-time and moderate income home buyers. The remaining funds will be available for the development and/or preservation of low-income rental and owner-occupied units.

The amount of in-lieu fees collected each year is dependent upon the number of new residential building permits issued by the City and the size and number of developments providing low-income units. For budgetary purposes, the City estimates that about \$500,000 per year will be collected in the near term.

2. Redevelopment Housing Set-Aside Funds

The Livermore Redevelopment Agency (RDA) currently has approximately \$600,000 of redevelopment housing set-aside funds and can expect approximately \$225,000 per year of additional income over the near term. By State law, 20% of tax increment revenues received must be expended to increase and improve the supply of low and moderate income housing in the community. To the extent these monies are used for new rental development (or substantial rehabilitation), the affordability restrictions are for the longest time feasible, but in no case less than 15 years.

The RDA has committed approximately \$1.5 million toward the development of a 70-unit apartment complex for low and moderate income households. The current \$600,000 plus anticipated future housing set-aside funds of about \$225,000 per year for the next five years will be used to meet this commitment.

The Livermore Downtown Redevelopment Plan also proposes the development of a mixed use project on approximately 7 acres to be implemented by 1995. This project will include a mix of office, commercial and residential uses. It is anticipated that approximately 40 housing units (rentals or owner occupied) will be developed on the site; 15% of these units must be low income.

3. Community Development Block Grant (CDBG) Funds.

The City receives approximately \$300,000 in CDBG funds from HUD each year. In the past, these funds have been allocated toward supplementing existing social services programs in the City for both operating expenses and capital improvements. The budget for the CDBG funds through fiscal year 1993/94 is directed toward the continuing support of the

social programs operating in the City which provide services to low and moderate income residents. No funds are available from this source for the development or preservation of low income rental units. However, \$60,000 has been allocated for minor home repair and rehabilitation.

4. Livermore Housing Authority

The Livermore Housing Authority operates the Section 8 program which serves 400+ very low-income tenants in Livermore. There is currently a very long waiting list for Section 8 certificates and vouchers and, due to limited funding, only 25 new certificates/vouchers were issued in the last fiscal year. The Housing Authority also owns and manages the Leahy Square apartment complex which provides 125 units to low-income families.

The Housing Authority currently has no specific plans for developing new rental housing at this time. However, the Housing Authority will consider participating in the preservation of existing low income rental units or the development of new housing as the opportunities and funding become available.

5. Non-Profit Organizations

There are three non-profit organizations which have constructed rentals projects in the City: Eden Housing Inc., BRIDGE Housing Corporation and Interfaith Housing. No specific commitment by any non-profit organization is anticipated at this time. However, the City has in the past worked successfully with non-profit organizations in providing lower income rental units and will continue to actively pursue the development of joint-venture projects. The City will be contacting these non-profit organizations regarding participation in the preservation of at-risk rental units.

Eden Housing Inc. (EHI) was formed as a non-profit development corporation in 1968. Since that time, EHI has sponsored a variety of ownership, rental, cooperative and "sweat equity" housing projects utilizing private, local, state and federal funds. EHI recently entered into an agreement with the City of Livermore and the Livermore Redevelopment Agency to develop a 70 unit apartment complex for low and moderate income tenants.

BRIDGE Housing Corp. was formed as a non-profit development corporation in 1983 and has participated in the development of over 4,000 units since that time. BRIDGE participated with the City of Livermore to create a rental assistance fund for 34 units in a 135 unit apartment complex. BRIDGE has co-developed with Eden Housing and the Livermore Housing Authority an elderly apartment complex with 67 affordable units.

Interfaith Housing, Inc. was organized in 1965 by eight Livermore churches in response to a federal program to help such groups build housing for low income elderly. Interfaith has constructed two elderly rental projects totaling 130 units utilizing Section 202 and 236 funds and CDBG funds from the City.

6. Density Bonuses and Inclusionary Zoning

The City has provided for a density bonus to developers willing to set aside a portion of their units for low or moderate income households. State law requires such a program, and the City has implemented the necessary ordinances and procedures.

The Housing Element (Chapter 9) includes a program to extend the term of future rental agreements to 30 years consistent with State requirements. Rental agreements will also include a "buy out" option (i.e. rent subsidies funded by the City) which would extend the agreement for an additional 30 years and will provide the City a first right of refusal on the purchase of the projects.

The City currently has contracts with several developers to rent 10% of their units to low income tenants for a period of fifteen years. These have been achieved through the use of the density bonuses and inclusionary programs. A total of 34 low income rental units are provided in this manner.

In addition, the City has provided for a density bonus to developers of senior citizen housing projects. The density bonus can be up to 45%.

7. Tax-Exempt Financing

The City, its Redevelopment Agency and the Housing Authority have legal power to issue tax-exempt bonds or notes for the development (including rehabilitation) of single-family owner-occupied and multifamily rental housing. The City could also cooperate with Alameda County or California Housing Finance Agency (CHFA) in bond issues. Bonds must be issued under established federal and state requirements. Tax-exempt financing enables the owner to borrow funds at rates which are typically 1.5-2% below conventional rates.

The City has participated in several low income housing bond issues. The housing bonds have created 227 low income rental units in the City.

8. Low-Income Housing Tax Credit

As part of the 1986 Tax Reform Act, a new tax credit was made available to developers of new or rehabilitated rental housing. Use of the credit is possible if at least 20% of the completed units are rented to households at or below 50% of median income (or 40% of the units are rented to households at or below 60% of median). Rents may not exceed 30% of the maximum income limits based on household size (less an applicable utility allowance).

9. Other State and Federal Programs

The State of California Housing and Community Development Department is currently developing programs for both rehabilitation and new construction of rental housing for very low-income tenants. Approximately \$400 million will be available in the next 24-36 months for these efforts.

The City will apply for McKinney funding, a program providing transitional support for the homeless. Support services are required as part of this program and require the recipient to complete a job training program while receiving subsidies for housing. Eden housing is representing the City in a current application for this federal program.

The City is applying for federal funding now available for senior housing. The program is based on Section 202, providing rent subsidies to qualifying seniors. The subsidy occurs where rent would exceed 30% of the seniors' income.

Through the City Housing Authority, the City has applied for 50 additional Section 8 certificates and vouchers, with the expectation that this increase will be approved by HUD. The City has nearly 470 Section eight certificates or vouchers which are currently administered by the Housing Authority.

The City has joined a consortium of other cities and Alameda County to apply for Home funds. This consortium is called the Alameda County Home Consortium. Approximately \$400,000 in funds may be made available to the consortium, with the provision that matching funds are made available. The funds, if awarded may be targeted for land-banking for a lower income project site.

D. QUANTIFIED OBJECTIVES

This section establishes the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period. Based on the information contained in the inventory, cost of replacement and resources available sections, the following chart details the quantified objectives for each income category for the City from 1990 to 1995.

The chart below indicates that the City expects to conserve (retain as below market units) all the units currently in the low and very-low income categories. The City also anticipates through its minor repair and rehabilitation program, to provide repairs and maintenance assistance to at least 75 low and very-low income units. In addition, the City has utilized ABAG's housing objectives as the City's quantified objectives for each income group.

**TABLE 30
QUANTIFIED OBJECTIVES BY INCOME GROUP FROM 1990 TO 1995**

Income Group	# of Units Conserved	# of Units Rehabilitated	# of Units Constructed
Very Low Income	475	40	559
Low Income	386	35	381
Moderate Income	0	0	533
Above Moderate Income	0	0	1,066

VIII. EVALUATION OF PAST ACTIONS TO MEET HOUSING NEEDS

A. EVALUATION OF 1985-1990 HOUSING ELEMENT GOALS/PROGRAMS

The section below reviews goals and programs that were established as part of the 1985-1990 Housing Element, and evaluates their effectiveness.

Goal 1: Make available a sufficient quantity of land to meet projected housing needs.

Implementation Policies/Programs:

- a. Policy: Assure sufficient supply of land for residential densities and housing types.
Result: This goal was met by conducting an inventory of land that demonstrated sufficient acreage and variety of residential densities were available to meet Livermore's share of regional housing needs. General plan amendments and rezonings were initiated to make raw land available for development. Allotments under the City's growth management Housing Implementation Program (HIP) were coordinated with the land inventory and local and regional housing goals. Sufficient land was made available to meet and exceed Livermore's regional fair share of housing for 1985-1990, while providing for a diversity of housing types and prices.
- b. Policy: Promote high density development in the City's Redevelopment District in the central downtown area.
Result: This goal was met through the redevelopment of underutilized land for a major apartment complex which produced 210 rental units in the downtown area.
- c. Policy: Encourage the development of multiple family housing to meet needs of all income levels.
Result: This goal was partially successful. Between 1980 and 1990 approximately 1615 rental units were constructed, significantly increasing the overall ratio of multiple family to single family development during this time. While regional goals for housing were exceeded, housing goals for very low income housing were not met despite the availability of density bonuses and other incentives including reserved allocations for projects that provided low income housing. The City has joined in public/private partnerships to build two apartment complexes between 1985 and 1990 to provide low income units. A third project (Eden Housing complex), providing 70 units of very low and low income units, is projected for approval and construction during the 1990-1993 Housing Implementation Program.
- d. Policy: Encourage an increase of mobile/manufactured housing as an alternative to higher cost conventional housing.
Result: The City's inventory of mobile homes did increase substantially. However, this was the result of annexing land which already contained these land uses. Livermore allows this type of housing in compliance with applicable codes on any residentially zoned lands. Appropriately zoned acreage is available for a new mobile home park or manufactured housing project. Beyond land zoning, no other "encouragement" was developed.

e. Policy: Encourage a variety of housing types to meet the needs of families of all incomes and sizes.

Result: Through use of reserved allocations under Livermore's growth management program that encourage mixed and low income housing, and through the use of Planned Unit Development Districts which facilitate a mix of housing types and sizes, the City has been able to meet regional housing goals for most types of housing. The major area needing improvement is the provision of housing for very low income households. Production of very low income housing normally requires public subsidies.

f. Policy: Achieve a balance of jobs and housing as development of industrial land occurs.

Result: This goal was met. The City annually evaluated the jobs/housing ratio and industrial absorption rate for Livermore as part of its review of the Housing Implementation Program, which sets goals for the amount and type of housing to be allocated under the City's growth management program in the following year. The City has maintained a 1.3 jobs to housing ratio over the last decade despite significant gains in its employment base. At this time the City has a surplus of housing to jobs, or approximately 2,700 more housing units than needed to support the local employment population.

Goal 2: Preserve and provide quality residential environments to meet physical, social, cultural and age needs of residents.

Implementation Policies/Programs:

a. Policy: Encourage public/private programs to keep older homes in good repair and rehabilitate or eliminate substandard housing.

Result: This goal was met. Livermore continued its long term commitment to rehabilitate or eliminate (with relocation assistance) substandard housing. In 1989 the City removed 35 units unfit for rehabilitation as part of a redevelopment effort which replaced these dilapidated structures with a large apartment complex. The City continues to monitor housing stock as part of its redevelopment and rehabilitation programs. The City utilizes CDBG funds for rehabilitation of older residences, with priority given to repairs through the use of low interest loans for the elderly and disabled. An average of five housing units received repairs on an annual basis, with assistance available to rental or ownership units.

b. Policy: Continue to provide funding for the maintenance and/or construction of emergency shelters.

Result: This goal was met. The City continued funding assistance to existing shelters. The City has made a long term commitment to assisting in the development of more shelters for a variety of special needs, as funding becomes available. Land is available for additional shelters which can be established in any zoning district with a use permit.

Goal 3: Encourage the production and availability of housing at affordable prices.

Implementation Policies/Programs:

a. Policy: Encourage the development of inclusionary techniques in new development, including a mix in type and cost of housing units in new subdivisions, apart-

ments, and Planned Unit Developments.

Result: This goal was met, primarily through policies contained in the General Plan and requirements and incentives contained in the City's Housing Implementation Program (HIP), which were established, in part, to encourage the production of affordable housing.

The General Plan requires that 10% of all new residential development include low income (using HUD/HCD guidelines) housing units, or the developer must pay an affordable housing in-lieu fee which the City uses to assist in developing affordable housing projects.

The Housing Implementation Program (HIP), established in the 1985-1990 period, considers, among other issues, the low and moderate housing needs of the City. The HIP is based on a Three Year Program, with the ability to target (give priority in housing allocations) specific housing types through the use of reserved and emphasized categories. The Three Year Program may establish additional HIP priorities including targeting for: development within certain geographic areas of the City, specific types of units, homes for first-time buyers, senior citizen housing, and lower-cost rental/owner housing. Lower-cost housing must remain affordable (below market) for at least 15 years.

In addition, the City adopted a General Plan policy that gives density bonuses for low-cost housing (25%), and senior housing (45%) projects. The City also uses Planned Development Districts to encourage a mix of housing types and densities, and to encourage market and below market housing within the same subdivision or rental/owner complex.

b. Policy: Adopt a program to monitor the eligibility of purchasers of affordable (below market) housing and to monitor resale of these units over a 20-year period.

Result: Between 1985-1990, the City developed a program to monitor the eligibility of purchasers and resale of affordable homes. Annual criteria is modified in accordance with HUD/HCD guidelines.

Goal 4: Develop a comprehensive plan to provide needed and desired housing and related services to individuals and neighborhoods, and promote equal housing opportunities.

Result: Periodic revision of the Housing Element, in response to local and regional housing needs, provides a comprehensive plan to provide needed or desired housing. Implementation of housing programs and policies has been enhanced through recent development of the Housing Implementation Program. The HIP has improved the City's capability to target specific housing needs, and implement them through the competition for housing allocations, which is part of the City's growth management program. Future HIP programs will continue to coordinate with and implement the goals and objectives of the Housing Element.

The City is committed to the promotion of equal housing opportunities, and resolution of residents' housing problems. The City retains a housing counseling service (ECHO) to provide assistance and to resolve housing issues/complaints.

IX. HOUSING GOALS, POLICIES AND PROGRAMS

A review of the City of Livermore's housing programs over the last 20 years demonstrates that the City has been successful in developing a substantial number of policies and programs that assist in providing a variety of decent housing in a quality environment for its citizens. The community defines quality as design and construction that will provide residents living within and adjacent to a project with a comfortable, safe, attractive environment. The City utilizes inclusionary zoning, low-income housing in-lieu fees, RDA set-aside monies, CDBG funds, density bonuses, resale/rental agreements, low income housing bonds and other housing related services to develop housing and assist residents in improving local housing conditions. The City also uses growth management and the Housing Implementation Program to target housing for diverse needs, and to ensure high quality residential development. As the previous chapter indicated, most of the programs in the 1985-1990 Housing Element were met. Several policies and programs contained in that Element have been incorporated into the 1990-1995 Housing Element, as they continue to be valid and require consistent long-term commitment.

However, by the nature of its location in the Bay Area and the Tri-Valley, Livermore cannot address issues of jobs and housing unilaterally. To effectively address these issues in the long term, they will need to be considered in a larger context, environmentally, topically and geographically. A number of issues impact housing policy including economic development and distribution of tax income, open space preservation, and transportation, infrastructure and air quality issues. Any long term solution to housing will need to consider these related issues, and will require intergovernmental coordination of policies and programs to address them.

In evaluating performance of policies/programs and local and regional housing goals over the last five years and the previous decade, it is clear that the City's existing and future residents with the greatest housing needs are in low and very low income categories. Households in these income categories earn less (potentially far less) than 80% of the annual area median income. This group may include seniors on fixed incomes, single-parent heads of households, the "working poor," the homeless, disabled and other residents with special needs.

Residents in the moderate to above moderate income categories do not encounter basic problems of obtaining decent affordable housing. These latter residents also have the most viable opportunity for home ownership. A majority of the City's residents fall into these more fortunate circumstances. It is clear that the needs of the City's lower-income households are the most difficult to meet, requiring long-term commitment to policies and programs addressing those needs. Employment and community trends analyzed in Chapter 2 suggest that while local employment will continue to grow, much of the wage structure will be in lower income categories (warehousing and service industries) making affordable housing a long-term need in the community. A growing proportion of future locally employed residents will only be able to afford rental housing.

It is for the above reasons that most of the following policies and programs are directed to assisting lower income households which have the greatest housing needs. These needs are the most difficult to address given limited resources available to assist in developing or maintaining affordable housing. However, long-term housing goals and policies remain in place that require regulation of residential growth to promote: the highest quality design for residential development; a balanced

relationship between residential and non-residential development; a growth rate that will not exceed the capability to provide infrastructure and public services; as well as production of housing to meet the needs of all residents in the community including those households seeking entry level ownership or move up housing. (Asterisks are used to identify new policies and programs).

The fundamental housing goal of the City of Livermore, is to provide for basic housing needs, in a suitable environment, for all current and future residents. The City will implement this goal through the Housing Implementation Program (HIP) guided by the following policies and programs.

I. GOAL 1 - DIVERSITY OF HOUSING/TENURE

MEET THE BASIC HOUSING NEEDS OF THE COMMUNITY THROUGH PROVISION OF A VARIETY OF HOUSING TYPES, PRICES AND DENSITIES TO MAKE AVAILABLE A SUFFICIENT SUPPLY OF HOUSING FOR ALL ECONOMIC GROUPS IN THE CITY.

A. Policy - Provide an adequate supply of land with appropriate land uses and densities to accommodate a variety of housing needs and to achieve a reasonable vacancy rate for all types of housing.

1. **Program:** Include policies in the 1994-1996 Three Year HIP that provide incentives to help meet the City's share of Regional Housing goals for all income categories for 1990-1995.*

Responsible Agency: City Council/Planning Department

Time Frame: 1992

Funding: Not Applicable

2. **Program:** Review land inventory at least once every three years to ensure an adequate supply of land is available to meet local and regional housing goals for all types of housing.*

Responsible Agency: Planning Department

Time Frame: Annually

Funding: General Fund

3. **Program:** Monitor the proportion of multi-family rental apartments within the City, and if necessary, through the HIP, provide incentives (targeting etc.) to maintain the proportion of multi-family rental housing at approximately 20% of the total housing stock.*

Responsible Agency: City Council/Planning Department

Time Frame: 1992 - 1995

Funding: Not Applicable

4. **Program:** Give high priority to the replacement of each multiple family site which is redesignated or developed, with an equal or greater amount of high density residential acreage in appropriate locations.*

Responsible Agency: City Council/Planning Department

Time Frame: As Needed

Funding: Not applicable

5. **Program:** Investigate increased density bonuses (over current 25%) and other techniques to encourage the production of very-low income housing.*

Responsible Agency: Planning Department
Time Frame: 1992
Funding: General Fund

6. **Program:** Proposed development must be consistent with the density range set forth in the General Plan. However, a proposed residential development may vary from the density set forth in the General Plan by not more than 25% less than the minimum number of units consistent with the land use designation if, based on substantial evidence, the Council finds that:

(1) the variation will not jeopardize anticipated capacity assumptions or funding for public infrastructure; and either:

(2) the property is surrounded on two or more sides by already-developed residences at a different density, closer to that proposed; or

(3) there are physical constraints on the property (such as location, size, shape, topography or other environmental constraints) and other General Plan policies which make it more difficult to develop at the designated density range than for other properties in the vicinity in that same range. Alternatively, the applicant for a development proposal may request a general plan amendment to allow a different density.* (CC Reso 98-77)

Responsible Agency: Community Development Department
Time Frame: Ongoing
Funding: General Fund

7. **Program:** To encourage development of very-low income units, exempt very-low income units from the competitive review process, though they will remain subject to the City's annual growth rate.*

Responsible Agency: Planning Department
Time Frame: 1991-1996
Funding: General Fund

8. **Program:** Upzone at least 30 acres of high density residential development at a minimum of 18-22 units per acre.

Responsible Agency: City Council/Planning Department
Time Frame: 1993
Funding: General Fund

B. Policy - Encourage mobile home and factory built housing projects on appropriate sites in any residential zone.

Program: Continue to allow mobile home/factory built projects which meet State and City codes and design review requirements in any residential zone.

Responsible Agency: City Council/Planning Dept./Building Div.
Time Frame: As Needed
Funding: Not Applicable

C. Policy - Encourage multiple family housing to remain as rental units.

D. Policy - Minimize displacement and related hardships of existing tenants in rental apartments and mobile homes and encourage ownership of these units by tenants.*

E. Policy - Promote the application of mixed-use zoning to combine a variety of housing types in larger residential projects, and to consider combining residential uses with compatible commercial or professional office uses.*

1. **Program:** Use Planned Unit Developments to combine compatible land uses and a diversity of housing types in larger projects, including creation of smaller units on smaller lots where appropriate to encourage production of more affordable housing.
 Responsible Agency: City Council/Planning Department
 Time Frame: As Required
 Funding: Application Fees
2. **Program:** As part of the next programmed land inventory in 1993, identify and consider rezoning parcels of undeveloped or underutilized land as needed, that are potentially suitable for high density and/or affordable housing projects. Criteria for selection would include sites offering good access to transportation corridors and major retail or employment centers.*
 Responsible Agency: City Council/Planning Department
 Time Frame: 1991-1995
 Funding: General Fund

II GOAL 2 - PRODUCING AFFORDABLE HOUSING

ENCOURAGE AND FACILITATE THE PROVISION AND LONG-TERM AVAILABILITY OF RENTAL/OWNER HOUSING AFFORDABLE TO ALL ECONOMIC SEGMENTS OF THE COMMUNITY.

- A. **Policy - Promote the production of affordable rental/ownership housing for all economic segments of the community, consistent with regional housing goals, local housing needs, and the City's General Plan.**
 1. **Program:** Continue to require that all new residential developments include lower-income housing units. As an alternative, continue to require a lower-income in-lieu housing fee to be utilized by the City for conserving and producing lower income housing.
 Responsible Agency: City Council
 Time Frame: On Going with Annual Review
 Funding: Developer's Fees
 2. **Program:** Use the 1994-1996 Housing Implementation Program to target (offer incentives) to produce very-low income housing.*
 Responsible Agency: City Council
 Time Frame: During 1994-1996 Program Update
 Funding: General Fund
 3. **Program:** Develop a City sponsored Deferred Second Mortgage subsidy program for lower and moderate income first-time buyers, targeting at least some potential buyers whose income is slightly below 80% of the area median income.*
 Responsible Agency: City Council/City Manager's Office
 Time Frame: 1991
 Funding: In-lieu Fees
 4. **Program:** Seek State and Federal assistance to develop lower-income housing, and to fund related programs.
 Responsible Agency: City Manager's Office
 Time Frame: On Going
 Funding: General Fund

5. **Program:** Provide City incentives such as reduced fees, assistance with public improvements or financing (revenue bonds) increased densities, flexible development standards, priority processing, and similar assistance to facilitate the development of low and very-low income housing.

Responsible Agency: City Council/Various City Departments

Time Frame: 1991-1995

Funding: General Fund/In-Lieu Fees/RDA Set-Aside Funds

6. **Program:** Provide 25% density bonuses for projects proposing to construct at least 20% of total units for low income households, 10% of total units for very low income households or 50% of total units for senior households; provide density bonuses of up to 45% for affordable senior housing projects serving seniors as defined under Civil Code section 51.3(c).

Responsible Agency: City Council

Time Frame: On Going

Funding: Not Applicable

- B. Policy:** Develop at least three (3) affordable housing projects in the City between 1990 and 1995 utilizing the combined resources of the City's agencies, joint public and private housing ventures, and new funding opportunities as they occur. (This is in addition to all projects that include the required 10% lower cost housing component.)*

Program: To implement the above policy, analyze and, if necessary, create a new position to: (1) be responsible for providing and/or facilitating the development of three low income housing projects between 1990 and 1995, (2) coordinate and manage City housing strategies and programs, (3) maintain a City-wide housing data base, and (4) steward projects through the growth management and development review process.*

Responsible Agency: City Council/City Manager

Time Frame: 1992-1993

Funding: As Determined, from General Fund in-lieu funds, set aside, etc.

- C. Policy:** Meet Livermore's share of regional housing needs for lower income housing.

1. **Program:** Through identified programs, produce at least 2,539 housing units between 1988 and 1995 to meet Livermore's share of regional housing needs.* As a part of that effort, attempt to produce a sufficient number of units affordable to very low and low income households to meet regional housing needs.

Responsible Agency: City Council/Planning Department

Time Frame: 1988-1995

Funding: Not Applicable

2. **Program:** Allow second units in single-family residential zones compatible with the appearance and character of the residential neighborhood. Since second units provide housing affordable to low and very-low households, eliminate the requirement to pay low income housing in-lieu fees for secondary housing units.*

Responsible Agency: City Council/Planning Department

Time Frame: 1992

Funding: General Fund

D. Policy: Require residential and non-residential projects to contribute to the establishment of low-income housing to the extent that they create the need for such housing.*

1. **Program:** Consider creating a low-income in-lieu housing fee for new commercial, office and industrial properties. Ensure all in-lieu housing fees are in conformance with AB 1600.*

Responsible Agency: City Council/Planning Department
Time Frame: 1991-1992
Funding: Not Applicable

2. **Program:** Periodically review the City's in-lieu low income housing fee to assure that the fee produces sufficient funds to produce 10% of the City's new housing stock for affordable low income households.

Responsible Agency: City Council/Planning & Finance Departments
Time Frame: On Going
Funding: General Fund

3. **Program:** For the 1990-1995 period, reserve a minimum of 50% of the low income in-lieu fees for very-low income projects, to assist development of a public or non-profit project; or to off-set costs per unit for a private project that provides very-low income units (example, possible subsidy of \$20,000 per unit).*

Responsible Agency: City Council/City Manager's Office
Time Frame: 1990-1995
Funding: In-lieu fees

4. **Program:** Use the low income in-lieu fee program to: (1) assist development of low-income housing, (2) acquire or land bank potential housing sites, (3) subsidize rents, issue bonds, provide loan collateral, pay predevelopment costs, assist projects through development review, etc.

Responsible Agency: City Council/City Manager's Office
Time Frame: As Needed
Funding: Developer's In-Lieu fees

E. Policy: Periodically (e.g. every 3-5 years) review all City infrastructure requirements and determine which, if any, should be modified to reduce the cost of residential development, while maintaining the City's high quality design and safety standards.*

1. **Program:** Consider reduction of street widths for cul-de-sacs (from 40 feet to 36 feet) and loop streets.*

Responsible Agency: Engineering Department
Time Frame: 1992
Funding: General Fund

2. **Program:** Periodically review all City infrastructure requirements and determine which, if any, should be modified to reduce the cost of residential development while maintaining the City's high quality design and safety standards.*

Responsible Agency: Engineering Department
Time Frame: 1991-1995
Funding: General Fund

III. GOAL 3 - PROVIDE WELL MANAGED GROWTH

REGULATE RESIDENTIAL GROWTH TO PROMOTE (1) THE HIGHEST QUALITY DESIGN FOR ALL RESIDENTIAL UNITS AND NEIGHBORHOODS, (2) A BALANCED RELATIONSHIP BETWEEN RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT, (3) A GROWTH RATE THAT WILL NOT EXCEED THE CAPABILITY TO PROVIDE INFRASTRUCTURE AND PUBLIC SERVICES, (4) PRODUCTION OF HOUSING TO MEET LOCAL AND REGIONAL HOUSING NEEDS.

1. **Program:** Use the City's Housing Implementation Program to regulate annual allocations of housing units to implement the above goal.
Responsible Agency: City Council/Planning Department
Time Frame: On Going
Funding: Application fees
2. **Program:** Implement the policies and programs of the City's General Plan and related development policies as they relate to the above goal.
Responsible Agency: City Council/Planning/Building & Engineering Departments
Time Frame: On Going
Funding: General Fund

IV. GOAL 4 - PRESERVATION OF AFFORDABLE HOUSING

ENCOURAGE THE CONSERVATION AND REVITALIZATION OF EXISTING HOUSING STOCK AND RESIDENTIAL NEIGHBORHOODS.

- A. Policy - Encourage the preservation and long-term availability of affordable and special needs housing.**
1. **Program:** Revise City housing resale agreements to require that units remain below market for a minimum of 30 years, and renew the 30 year contract each time a unit is sold. Require that new rental agreements also stipulate that units will remain below market for a minimum of 30 years.
Responsible Agency: City Council/Planning Department
Time Frame: 1991
Funding: Not Applicable
 2. **Program:** Work with HUD to maintain funding for all existing HUD subsidized units in Livermore.
Responsible Agency: City Housing Authority
Time Frame: On Going
Funding: HUD Rental Subsidy Funds
 3. **Program:** Develop and formalize a plan of action for the preservation of assisted at-risk units in the 10-year inventory of federally (and locally) subsidized low-income rental units at risk of conversion to market units.*
Responsible Agency: City Housing Authority/Housing Coordinator
Time Frame: 1991-1992
Funding: General Fund

4. **Program:** Develop a program that would propose that demolition of low-income units be conditioned to either require replacement of that unit with another low income unit, or allow alternative options such as payment of an in-lieu fee or contribution to other related on or off-site improvements for low-income housing.*

Responsible Agency: Building Department/Planning Department
Time Frame: On Going
Funding: General Fund

B. Policy: - Seek State and Federal assistance to preserve and rehabilitate affordable housing, with priority given to the elderly and disabled, and to fund related programs that improve and stabilize older neighborhoods.

1. **Program:** Continue efforts to provide below market rate loans for rehabilitation of affordable housing by tenants or owners. Use Community Development Block Grant funds for this purpose.

Responsible Agency: City Manager's Office
Time Frame: On Going
Funding: CDBG funds

2. **Program:** Using CBDG funds and/or other resources, attempt to rehabilitate five substandard lower-income housing units between 1990-1995.

Responsible Agency: Housing Coordinator
Time Frame: Annually
Funding: CBDG Funds

3. **Program:** Support the revitalization of older neighborhoods through the maintenance of streets and public improvements, and enforce housing codes to correct deficiencies in substandard housing.

Responsible Agency: Planning, Building, & Engineering
Time Frame: On Going
Funding: General Fund, CDBG Funds

4. **Program:** Protect the stability of older residential neighborhoods by prohibiting infill projects that are inappropriate in size, density, or appearance. Preserve historical or architecturally significant residences and related features in areas subject to redevelopment.*

Responsible Agency: Planning Department/City Council
Time Frame: On Going
Funding: General Fund

IV. GOAL 5 - EQUAL OPPORTUNITY

PROMOTE EQUAL OPPORTUNITY TO SECURE SAFE, SANITARY AND AFFORDABLE HOUSING FOR ALL PERSONS IN THE COMMUNITY REGARDLESS OF AGE, RACE, SEX, INCOME, FAMILY STRUCTURE, OR OTHER ARBITRARY FACTORS.

A. Policy - Eliminate discriminatory housing practices City-wide.

1. **Program:** Refer complaints of housing discrimination to agencies and organizations responsible for addressing complaints.

Responsible Agency: Livermore Housing Authority and ECHO Housing

Time Frame: On Going

Funding: General Fund

2. **Program:** Continue to fund housing discrimination counseling services through ECHO.

Responsible Agency: City Manager's Office

Time Frame: On Going

Funding: CBDG funds

B. Policy - Give priority attention to the development and implementation of housing programs that address the needs of special groups, including the disabled, large families, the elderly, families with lower incomes, and provision of emergency shelter/transitional housing for the homeless.

1. **Program:** Require the construction of a fully equipped low income ground floor unit for non-ambulatory disabled persons in rental projects of 20 units or more, where density bonuses, in-lieu fees or other City provided incentives were utilized.*

Responsible Agency: Building Department/Planning Dept.

Time Frame: On Going

Funding: Developer

2. **Program:** Require a percentage of first floor units of multi-family rental complexes to be handicap accessible and built to allow retrofit to State handicap standards.*

Responsible Agency: Building Department

Time Frame: On Going

Funding: Developer

3. **Program:** Continue to support existing emergency shelters and aggressively promote the production of low cost housing to facilitate relocation of the homeless to permanent housing.*

Responsible Agency: City Council

Time Frame: 1990-1995

Funding: CDBG funds, In-lieu fees

VI. GOAL 6 - ENERGY EFFICIENCY

ENCOURAGE ENERGY EFFICIENCY IN NEW AND EXISTING HOUSING.

1. **Program:** Promote the use of energy conservation features in the design and siting of new residential structures. Consider solar design and access in reviewing new subdivisions.

Responsible Agency: Planning/Building Departments

Time Frame: On Going

Funding: Permit Fees

2. **Program:** Promote use of energy reduction programs such as weatherization, and use of solar equipment, for existing residential units.
Responsible Agency: Building Department
Time Frame: On going
Funding: Not Applicable
3. **Program:** Enforce the State Energy Code when reviewing construction plans submitted in order to obtain building permits.
Responsible Agency: Building Department
Time Frame: On Going
Funding: Permit Fees
4. **Program:** Continue to include evaluation of solar access and energy efficiency as a criteria in the HIP evaluation procedure to encourage use of these features.
Responsible Agency: City Council/Planning Department
Time Frame: Annually
Funding: HIP Fees

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